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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE REGULAR MEETING
WEDNESDAY, JANUARY 13, 1988

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The Port Commission met in regular session in the Commission Room, 3100 Ferry Building on Wednesday, January 13, 1988.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
James R. Herman, Member
Anne Halsted, Member
William H. C. Chang, Member

Also present were Ronald Stone, Captain Osborne, Vello Kiisk, Angela Karikas, Jack Conrad, Randall Rossi.

Dr. Coleman asked the Commission's approval to take Item 7(e) as the first matter on the agenda, and requested Mr. Dave O'Connell to come forward and accept a Certificate of Merit for 33 years of loyal, dedicated service to the Port as a Dredging supervisor. A round of applause followed the presentation, and Mr. O'Connell expressed his appreciation to the Commission.

The next matter of business was approval of the minutes of the meetings of December 9, and 17, 1987.

3a) The election of officers for the Port Commission was held as required under Rules of Order adopted by the Commission in January 1987.

Commissioner Herman nominated Commissioner Anne Halsted as President for a one year term beginning January 13, 1988. All Commissioners concurred with this nomination, and Commissioner Halsted was unanimously elected to serve as President of the Port Commission.

Commissioner Halsted in accepting the office, asked that Dr. Coleman continue to chair the meeting in completion of his term of office.

Commissioner Halsted nominated Commissioner Herman as Vice President and all Commissioners concurred unanimously. Commissioner Herman accepted the vice-president term for one year.

Both Dr. Coleman and Commissioner Rudden were given acknowledgement of their long and distinguished service as president and vice president and for their contribution to the Port's success during their years of office.

Commissioner Herman asked permission to acknowledge Dr. Coleman's contribution as a skilled, and ethical president of the Commission, stating it was his privilege and his pleasure to publicly thank Dr. Coleman for his dedication and service during his tenure as president.

Commissioner Herman further acknowledged Commissioner James J. Rudden for his long and dedicated service as a Commissioner, expressed the appreciation of fellow Commissioners as well as staff for his devoted years as a spokesman for the Port.

7b) Approval of Procedure for appointment of Acting Director.

The secretary read the text of the resolution describing the procedure by which the Commission shall appoint an Acting Director. The Commission therefore took the following action:

ACTION: Moved by Commissioner Herman to approve
Resolution NO. 88-12, seconded, carried.

7c) The next matter to be considered was appointment of an interim Acting Port Director as proscribed by the preceding resolution. Commissioner Herman nominated Mr. Vello Kiisk for this position, stating he is eminently qualified to serve in this interim position, and would assume the function and duties, subject to election by this Commission, and formal concurrence by Mayor Agnos.

ACTION: Moved by Commissioner Halsted,
seconded by Commissioner Chang, carried.

Mr. Kiisk expressed his thanks to the Commission for the trust and confidence they have placed in him, and stated it was most gratifying to him to accept the post, although he had not sought it for himself. He pledged to do his utmost to prove worthy of their trust.

FINANCE & ADMINISTRATION

Mr. Conrad presented four financial reports for Commission review. The sales and rental report through October 1987, reflect all sales and rents to the Port are up. The refunds and allowances for November, 1987 in the amount of \$495,283 was next reviewed and approved by the following action:

ACTION: Moved by Commissioner Rudden,
seconded, carried.

The revenue and expenditures summary reflects a \$3.4 million in surplus, although realistically after payment of insurance premiums in February, the true figure will be \$1.4 million.

Commissioner Chang asked for an explanation for the variance in crane rentals as indicated by Mexican Lines performance. Discussion followed regarding the changing export situation in the Bay area. Mr. Stone opined his conviction that the exports volume will continue to go up.

Further discussion followed with reference to the positive variance in the sales and rental report, with staff acknowledging most of this is due to a greater sales volume resulting in greater revenue to the Port. Commissioner Chang cautioned against next year's reports reflecting any disparity in the expenditure rate.

Final report submitted was the accounts receivable report.

Commission was next asked to approve the non-civil service and temporary appointments and separations for December 1987, and it was so moved, seconded and carried.

The proposed budget for fiscal year 1988-89 was next reviewed and discussed by the Commission. Staff indicated the expenditures as \$33.6 million, a surplus of \$509,000, with revenues of \$34.1M. The salary standardization projected is \$500,000 which realistically gives a budget surplus of \$9,751.00.

Discussion ensued concerning the budget allocation for the offices of the City Attorney. Commissioner Halsted citing a need for better coordination with the City Attorney's offices, asked that she be provided with a breakdown of projected projects, i.e., caseload, or insurance cases versus other types of litigation. Ms. Karikas agreed to provide this breakdown.

Mr. Conrad indicated another area of concern was the City-wide overhead allocation of \$457,850, of which \$94,000 is for the Board of Supervisors, and represents 13.6% of the Board's total budget. Staff has difficulty with the premise that the Board expends 13.6% of its time on Port business. The Port's allocation for this year was \$7,974 dollars and an increase to \$94,000 in one year, is, in staff's estimation, both unrealistic and unjustified.

Two other items discussed were a contract with Dr. Randy Rossi and a budget allocation for underwriting the American Association of Port Authorities convention which the Port of San Francisco will host in September.

No action was sought by the Commission at this meeting, formal approval will be needed at the next meeting in January in order to submit the Port budget in February to the Mayor.

Commission discussed the ongoing practice of submitting a balanced budget, and then handling any deficit by supplemental appropriations. It was generally agreed that the preferred method would be to plan for a deficit and if a deficit is projected, then it should be handled at the budget phase, and not by supplemental appropriation.

President Halsted reiterated the Commission's position by stating that by next year the Port Commission intends not to have an operating deficit.

Commission next approved licenses and leases nos. 11311-11317-11323-11325-11326 located in the World Trade Center, and SWL 340.

Commissioner Chang requested clarification of the legality of the license with Senator Wilson for office space in the Ferry Building. City Attorney responded that there is no prohibition as long as the market rate is levied for the license, and no discrimination is practiced against any other politician.

PLANNING & RESEARCH

a) The Commission was presented with a request by Commissioner Jo Hanson, of the Art Commission, to consider placement of a statue of Gandhi in one of three selected sites on Port property. Commissioner Hanson gave a brief background of the Gandhi Foundation, and the selection of San Francisco as an appropriate site by the Foundation. She then spoke about the procedure for placement of this sculpture.

Commissioner Herman enthusiastically endorsed the gift of this piece of art, and made a motion to embrace the concept and to accommodate the placement of the sculpture to the fullest extent.

ACTION: Moved by Commissioner Herman, seconded
by Commissioner Halsted, carried.

b) Dr. Rossi reported that the Landmarks Preservation Advisory Board intends to designate four buildings at Todd Shipyard as historical landmarks and explained what impact this action can have on development of this property. Should the Board go forward with the designation of the Headquarters Building, the Powerhouse Building, the red-brick building, and the machine shops, as landmarks, a process would be set in place which would require the Port to apply for a Certificate of Appropriateness in order to modify both the exterior and the interior of these buildings. Staff presented a draft resolution to be presented to the Landmarks Advisory Board.

After reviewing the draft document, Commissioner Herman asked staff to address some concerns and to bring back a resolution which would advise the Advisory Board that their aspirations for these buildings is potentially in conflict with the Port's needs, objectives, and obligations. That these needs, objectives, and obligations must be given priority consideration.

Discussion followed on maintaining an informal, ongoing dialogue while clearly stating opposition to landmarks designation. President Halsted suggested the Advisory Board be assured the Port anticipates no change of use for this property which she felt might allay any fears the Board has about preserving the integrity of the buildings.

Dr. Coleman introduced Mr. Jim Haas who addressed the Commission on the matter of the newly designated Redevelopment Study zone which is proposed to include Piers 33 and 35. Mr. Haas urged the Commission to direct staff to prepare the scope of a planning study for these properties in consultation with other City agencies and departments. Mr. Stone responded that there is an existing Memorandum of Understanding.

MARITIME

Commission was asked to amend a license with Nippon-Sharyo, Inc. for additional office space at Shed A, Pier 50. It is necessary for Nippon to maintain an office conveniently located to fulfill its warranty obligations with Caltrain.

ACTION: Moved by Commissioner Halsted,
seconded by Commissioner Chang, carried.

ENGINEERING & MAINTENANCE

Captain Osborne introduced the next speaker, Vitale Troyan, Chief Bureau of Engineering, who presented the plan for the Embarcadero Parkway. Ms. Peg Devine, Project manager for the project, gave a brief walk-through of the proposed project, highlighting some of the most important features. Ms. Devine indicated an awareness of the Port's concerns, and stated the monthly meetings with all five City departments will be maintained. The draft environmental assessment is expected to be published by the year's end. The Management Oversight Committee, of which Mr. Kiisk and Capt. Osborne are members, endeavors to coordinate the work going on the F-line streetcar project, on the Muni Metro, as well as the turnaround project. Formation of a citizens' advisory committee is anticipated with participation by all interested factors. In addition to the F-line project, the Muni Metro turnaround, Ms. Devine also noted that work is going on by Caltrain at the TransBay terminal, as well as demolition of the freeway structure of I-280 at the south end.

Commissioner Chang expressed some strong dismay regarding the negative impact which can be anticipated by all the users of the Port, and emphasized his strong concern that an economic impact report be done to justify to the Port what the benefits will be from this undertaking. Staff suggested the possibility of some positive impact as well. Discussion followed with regard to the parking concerns, since the loss of parking spaces could result in the loss of over \$1.5 million in revenue. The Commission also expressed concern about access to all of our working piers. Staff will give these concerns high priority and the Embarcadero Parkway project team will be asked to come back before the Commission again to update the status.

b) The Commission was requested to approve a supplemental appropriation for additional funds to compensate the firm of Jefferson & Associates in the amount of \$45,700 for additional design services for Piers 30/32.

ACTION: Moved by Commissioner Halsted,
seconded by Commissioner Rudden, carried.

c) The Commission next approved a request to sell Paceco Crane No. 359, at Pier 80 due to under-utilization of this crane. The sale will be predicated upon full operation of the new cranes at this location. Mr. Tom Coler, California Stevedore & Ballast, spoke in opposition to the sale of this crane.

Captain Osborne observed that to upgrade this crane would be in the neighborhood of a million dollars and therefore would not be economically feasible.

ACTION: Moved by Commissioner Chang,
seconded by Commissioner Herman, carried.

The final item for Engineering was a request to reappropriate 1984 Revenue Bond Funds from Pier 80 modernization to Pier 96 improvements and to advertise a crane modification contract. Mr. Coler asked how funding for Pier 80 modernization will be handled if there is a shortfall created by the reapportioning of the revenue bond funds. Captain Osborne opined that one possibility would be similar to what was done at Pier 30/32 and that would be phase the improvements. Mr. Stone interjected that this was in response to an immediate need from a carrier that is there now, and requires immediate action.

ACTION: Moved by Commissioner Halsted,
seconded by Commissioner Herman, carried.

LEGAL

Commission withdrew to executive session for discussion of the matter of a claim by Kay Schaefer against the Port. At its conclusion, the Commission reconvened and the City Attorney reported a settlement of the claim in the amount of \$9,000.

There being no further business, the meeting adjourned at 12:41 P.M.

SAN FRANCISCO PORT COMMISSION MINUTES
MEETING OF JANUARY 27, 1988

Port Commission met in regular session at 10 o'clock a.m. Wednesday, January 27, 1988.

PRESENT; President Anne Halsted
Dr. Arthur H. Coleman
James J. Rudden
William H. C. Chang

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ABSENT: Vice President James R. Herman

President Halsted asked for the approval of the minutes of the meeting of January 13, 1988 and the Commission unanimously approved.

ACTING EXECUTIVE DIRECTOR'S REPORT Mr. Kiisk announced that Mayor Agnos had been provided with a briefing book which had been compiled by Port staff which gives an overview of the Port's most important and current projects. Dr. Coleman commended staff for the preparation and undertaking of this book, saying it would be of great assistance both to the incoming Commissioners as well as to the new Mayoral administration. Mr. Kiisk announced that Mayor Agnos plans to visit the Port offices on Friday, February 5 to get acquainted with Port staff.

FINANCE & ADMINISTRATION

Mr. Conrad presented four financial reports for the Commission's review and approval. Commission took an affirmative vote on the refunds and allowances report in the amount of \$233,540.

ACTION: Moved by Commissioner Coleman
seconded by Commissioner Chang, carried.

Mr. Conrad next presented the operating budget for fiscal year 1988-89 for Commission review. Discussion followed regarding reductions and projections. Further discussion followed regarding the maritime wharfage reductions, as well as two areas in which reductions are contemplated, those of insurance and PG&E.

Mr. Conrad indicated the current projections include a surplus of \$10,000 based on revenue and expenditure projections, with a reserve for salary standardization. Discussion followed regarding the dredging budget projection. Commission expressed strong opposition to supplemental appropriations for the dredging needs in the coming year.

Deputy City Attorney asked the Commission to reconsider its position regarding the request from City Attorney Renne indicating that each year the Controller has required additional funding by supplemental appropriation. Discussion followed and President Halsted suggested the Director meet with her and Ms. Karikas to resolve this matter.

Mr. Pat Flanagan addressed the Commission on the projected \$10,000 surplus decrying the fact that the Port budget is based on year-old figures, and is substantially down from the projected \$500,000 surplus of the previous year 1987-88. Mr. Flanagan cited a lack of accurate, current information resulting in continued flawed projections for the cruise ship industry as well as major restaurant, and retail operations.

Mr. Conrad clarified the projected \$414,000 surplus for FY 1987-88 was before salary standardization, and once the salary standardization is effected, there was in reality a \$14,000 deficit.

Commissioner Chang agreed emphatically with Mr. Flanagan's views and suggested further a need to go even beyond the planning process and look seriously at how we appropriate the funds reserved from the bonds. The Port has about \$29 million in reserve monies in which we need to do some intelligent planning to appropriate these funds in the highest and best use.

ACTION: Moved by Commissioner Chang,
seconded by Commissioner Coleman, carried.

Mr. Conrad next presented the Commission with a request to modify Dr. Rossi's current contract with the Port in the amount of \$78,000 and to extend the time of the contract to September 30, 1988. The need to extend the contract is to provide an overlap between the filling of the two new planning positions and Dr. Rossi's original termination date of March 30, 1988.

ACTION: Moved by Commissioner Chang,
seconded by Commissioner Rudden, carried.

Ms Schimke presented a request by the Bay Corporation, operators of the Ferry Plaza Restaurant, to permit an additional use for off-premises food sales under its lease. Detailed explanation was given regarding the circumstances bringing about this request, as well as the anticipated hopes for future changes. Staff indicated a check list of improvements to which the management of the corporation has agreed. It was also noted that extensive remodeling of the premises could result in environmental review, conditional use and or BCDC approvals. In which case, it is agreed that such approvals will be the responsibility of the Tenant.

Commissioner Chang opined that for the future, he would like to see a change in attitude on staff's part as well as the Commission, which would be more cooperative and responsible in obtaining any permits and conditional uses in a more expeditious and timely manner. Dr. Coleman and President Halsted agreed but pointed out staffing needs would also have to be addressed before any change could be initiated.

ACTION: Moved by Commissioner Coleman,
seconded by Commissioner Rudden, carried.

Commission next considered the matter of formally delegating the authority under Section 3.581 of the City Charter, Powers and Duties of the Port Commission, for granting and administering leases and licenses (3.581(f) (g) to staff to terminate rental agreements under certain conditions.

ACTION: Moved by Commissioner Coleman
seconded by Commissioner Rudden, carried.

PLANNING & RESEARCH

Commission reviewed and adopted a resolution expressing approval of three preferred locations for placement of a statue of Gandhi under the auspices of the Art Commission. This matter was discussed and agreed to in the meeting of January 13, 1988. The sponsor, the Gandhi Foundation and the Art Commission will make a final selection of one of the sites and will come back to the Port Commission for confirmation.

ACTION: Moved by Commissioner Chang
seconded by Commissioner Coleman, carried.

Dr. Rossi responded to Commission's direction to prepare a work scope for addressing future use of Piers 33-35 as a renovated passenger terminal and possible mixed use redevelopment. The preliminary work scope was developed jointly by staff and it was emphasized that additional time and refining was needed to talk with the Citizens' Advisory Committee for Fisherman's Wharf, as well as other participating agencies and staff.

Dr. Coleman suggested a need for a subcommittee to the Advisory Committee consisting of persons specifically interested in the cruise business, such as travel agents, cruise operators, et al, which would furnish some valid input.

Commissioner Chang asked for one very fundamental change to the draft work scope, moving the final step of alternative locations to a first step in the order of tasks. Staff acknowledged the validity of the suggestion, but also pointed out that the City's Master Plan and the Bay Commission's Master Plan both recommend the passenger terminal be retained at this location.

Commission was asked to defer the matter of Item 5(c) until further notice and this was agreed to.

The next matter for consideration was the modification of the contract with Phil Kern in the amount of \$57,600 and an extension to September 30, 1988 for management of the project for commercial fishing improvements at Fisherman's Wharf. As in the request to modify Dr. Rossi's contract, Mr. Kern's role is essential to the continuity of this project until such time as the planning jobs have been filled.

Mr. Kiisk indicated his strong support for the modification, stating that the project has now entered into the design phase and would now be under the aegis of the Engineering Department. Mr. Kern has been an invaluable asset throughout this whole project and Mr. Kiisk urged the Commission to retain his services.

ACTION: Moved by Commissioner Coleman
seconded by Commissioner Chang, carried.

The next matter for Commission consideration was approval of the professional services contract with Moffatt and Nichol, Engineers in association with AGS, Inc. and Kwan Henmi Architecture for design of the Fisherman's Wharf Commercial Fishing Industry project. Mr. Kern presented a revised work scope and answered some questions regarding the expanded role of the engineering component of the design team. Mr. Kern was very explicit about the Commission's ability to interact and effect changes in the Concept Plan.

President Halsted asked for public comment, particularly from any representatives of the Citizens' Advisory Committee. Hearing none, she called for a vote of the Commission.

ACTION: Moved by Commissioner Chang
seconded by Commissioner Coleman, carried.

MARITIME

Mr. Stone requested the Commission to reject all prior proposals for public relations and advertising services and to approve the issuance of a new Request for Proposals for these services. Neither City Attorney nor Human Rights Commission approvals had as yet been received. Discussion followed regarding compliance with the requirements of both these agencies. It was suggested by Dr. Coleman that approval of this request for RFP be conditioned on approval of both these departments.

ACTION: Moved by Commissioner Coleman
seconded by Commissioner Rudden, carried.

Commissioner Chang asked to make a final comment regarding the public relations contract and advertising services and it was to insist that these services should encompass more than just the Maritime department, and instead should promote the entire Port, interfacing with all City departments, and be an integral part of the overall development program of the City.

Mr. Stone gave a brief update on recent developments in rail transit service along the Peninsula Corridor. He cited serious concern that freight service for the Port and other San Francisco users is being jeopardized because of erroneous conclusions reached by the Joint Powers Board which stated limited freight service at night only would not negatively affect the Port.

In order to combat this narrow viewpoint and to develop a coalition which will strive to protect the interests of all industries along the San Francisco Peninsula, staff submitted a resolution for the Commission in support of the position by which freight service along the Peninsula corridor would be protected.

Commission directed staff to amend the resolution soliciting Mayor Agnos' support in this matter and to forward a summary to his office expressing our concern.

ACTION: Moved by Commissioner Chang
seconded by Commissioner Coleman, carried.

6c) Ms Cincotta gave a brief informational report detailing the responsibilities of the Port of San Francisco in hosting the American Association of Port Authorities to be held in September 1988. In brief, the host port is responsible for the general management and financial support of the convention, and specifically for the convention's social and entertainment activities, all registration procedures, local transportation requirements, audio-visual equipment for the business program, and simultaneous translation for the AAPA Spanish-speaking members. Funding for the convention is from three sources: registration fees, sponsorship, and the official convention program. Ms Cincotta addressed the issue of the business program, which in her words, was "boring", and which she hoped could be refocused on more dynamic, penetrating issues pitting East Coast against West Coast, labor against management, commercial development as opposed to maritime development.

Following staff presentation, Commissioner Chang expressed his view that any contract that is to be given for handling this convention be processed through the Human Rights Commission, to ensure that all factors for affirmative action be assiduously adhered to. Commissioner Chang asked for the opinion of the other Commissioners, and it was the consensus that these guidelines must be complied with. Commissioner Coleman expressed a reluctance to be involved in any activity which is not guided by HRC regulations, particularly in view of the Port being held financially responsible in the event of a deficit. The final decision was to have a meeting with the Executive Director, the Human Rights Commission representative, and Ms Cincotta for a resolution of this matter.

ENGINEERING & MAINTENANCE

Captain Osborne gave a brief report regarding an ongoing problem at Piers 94-96 at the juncture of the wharf structure with the adjacent landfill area. Three solutions are being studied and staff is preparing contract documents for a competitively bid contract to have the corrective work done, once a final solution is decided upon.

This matter will come back to the Commission at that time.

NEW BUSINESS ADJOURNMENT

There being no further business, the meeting was adjourned at 11:55 a.m.

SAN FRANCISCO PORT COMMISSION MINUTES
MEETING OF FEBRUARY 10, 1988

Port Commission met in regular session at 10 o'clock a.m. Wednesday, February 10, 1988.

PRESENT: President Anne Halsted
Vice President James R. Herman
Dr. Arthur H. Coleman
James J. Rudden
William H. C. Chang

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ABSENT: None

President Halsted asked for the approval of the minutes of the meeting of January 27, 1988 and the Commission unanimously approved.

ACTING EXECUTIVE DIRECTOR'S REPORT

Mr. Kiisk reported meetings with the Director of the Regional Quality Control Board, Mr. Roger James, as well as with Colonel Yanigahara of the Corps of Engineers, with Alan Pendleton of BCDC, and also met with Wally Abernathy, Port of Oakland Executive Director. Staff had identified six priority projects which will be discussed for strategy and resolution at future Directors meetings. These are issues of some urgency and should not be delayed until a permanent director has been selected. The Commission will participate individually in these discussions as prescribed under the Brown Act.

PROPERTY & FINANCE

Mr. Conrad asked for Commission approval of the appointments and separations for the month of January 1988, and this was so ordered.

Ms. Schimke next presented six licenses for approval, with a brief explanation regarding the license to Cellular Holdings which covers three separate areas of 1165 ft., 777 s.f., and 541 s.f. Ms Schimke presented the license for Pier 45, Sheds A & C, to Living History Center, which is the organization responsible for the Dickens Fair in December, and it is anticipated that for the Thursday through Sunday operation in the months of June to August, the Port will receive approximately \$65,000 in rent.

Commissioner Chang asked for assurance that this license to the Living History Center is not displacing the needs of the fishermen nor in any other way impacting adversely on the daily needs of the Wharf. Ms Schimke indicated that Sheds B & D are normally rented to fishermen, not A & C, although Sheds A & C have been used by film companies for equipment storage from time to time. Ms Schimke stated that staff was comfortable that this license would not deprive the fishing industry.

President Halsted raised the issue of apprising Fisherman's Wharf Tenants Association of this scheduled event and whether there were any objections from this group. It was suggested that staff discuss the matter with them and should there be any conflicts, the matter be brought to the Commission.

Vice President Herman concurred with the need to advise the tenants group as a courtesy but expressed his reluctance to initiate a procedure whereby the Port is seeking the advice and consent from any special interest group before making a business decision.

Commissioner Coleman agreed with President Halsted and Vice President Herman, noting it would next become necessary to consult with the ship repair tenants should the Port wish to do something in the Southern waterfront which would impact on their interests. Commissioner Coleman further suggested that the Commission needs to look at a policy before proceeding too far in this direction.

President Halsted asked for public comment, and hearing none, asked for a motion.

ACTION: Moved by Commissioner Chang
seconded by Commissioner Herman, carried.

The next matter presented to the Commission for consideration was a resolution recommending that the Mayor and the Board of Supervisors not endorse the proposed amendments to Sections 6.205 and 6.206 of the Charter. The proposed amendment would provide the Board with the authority to "transfer any funds contained in the proposed budget or in a proposed supplemental appropriation to another item." At present the Board can only reduce budget requests or disapprove a budget.

Mr. Conrad emphasized staff's belief that this amendment would not serve the best interests of Port or other City departments. Moreover, this proposed amendment would circumvent and render meaningless, the Charter authority and responsibility of the Port Commission. The Commission would retain the responsibility for managing the Port, without the budgetary authority to carry out its responsibility.

Commissioner Chang strongly urged the Commission's endorsement of the proposed resolution, emphatically agreeing with staff's position on this matter.

Hearing no public comment, President Halsted called for the question.

ACTION: Moved by Commissioner Herman,
seconded by Commissioner Coleman, carried.

PLANNING & RESEARCH

Dr. Rossi informed the Commission that the draft work scope was submitted to the Citizens' Advisory Committee subcommittee for review, and would be discussed at its next meeting on the following day. Dr. Rossi indicated for this reason, he was requesting deferring discussion of the matter until the next Commission meeting in order to have the input from subcommittee meeting. The Commission agreed and this matter was continued until February 25, 1988.

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MARITIME

Mr. Stone introduced the subject of a Federal Maritime Commission inquiry regarding truck detention at marine terminals. The FMC responding to various truckers is instituting a complex regulatory scheme to regulate charges and practices for container movement by trucking companies and owner/operators. Mr. Stone advised that discussion with the Port of Oakland has elicited their concurrence with his proposal to oppose the merits of the FMC inquiry.

Commissioner Chang questioned the wisdom of this move, suggesting that an imposition of a fee for trucking delay on all the West Coast ports would benefit ports with less congestion like that of San Francisco. Acknowledging the increased cost factor, the Commissioner nonetheless expressed reservation with taking a position on an exemption for San Francisco from federal regulations without first receiving all the relevant material including the petition filed with FMC. It was the Commission's contention that these same regulatory measures could work to our advantage in the future.

Commissioner Herman strongly urged staff to rethink the proposed stand and come back to the Commission for further consideration. Mr. Stone indicated he would seek an extension of time for filing comments on this matter, and would come back at the next Commission meeting with an updated, revised position statement, in a draft stage.

Mr. Stone next asked the Commission's approval to establish a task force of representatives from the maritime industry, City agencies, and the Port to encourage and promote use of the Port's cruise passenger terminal. A position paper was presented which identifies the factors influencing passenger activity and is a statement for a proposed cruise industry task force which will concentrate on promotion of San Francisco as a cruise port-of-call.

Discussion followed, and Commissioner Chang stressed the importance of including suppliers on this task force, acknowledging the jobs and employment which is provided by this support segment. Commissioner Herman further suggested the inclusion of a representative from the Central Labor Council on the task force to reflect an important point of view in this community-oriented project. Commissioner Herman asked staff to confirm the fact that this task force will concern itself primarily with the immediate promotion and enhancement of our present cruise ship facility at Pier 35; and was assured that this would be its primary focus. Any future plans and development for other facilities located elsewhere along the waterfront could also be the focus for this task force as well, to determine how best to accommodate the cruise industry in our Port and in our City. Commissioner Herman said, "It is inconceivable that with proper facilities this City would probably not be No. 1 on the West Coast agenda."

With no further discussion, Commission took the following action.

ACTION: Moved by Commissioner Coleman,
seconded by Commissioner Chang, carried.

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~~SAN FRANCISCO~~ PORT COMMISSION
MEETING OF WEDNESDAY, FEBRUARY 24, 1988
MINUTES

The Port Commission met in regular session at 10 o'clock a.m. in the Commission Room, Suite 3100, Ferry Building.

PRESENT: President Anne Halsted
Dr. Arthur H. Coleman
James J. Rudden
William H. C. Chang

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ABSENT: Vice President James R. Herman

As the first order of business, President Halsted asked for approval of the minutes of the meeting of February 10, 1988. The minutes for this meeting were approved with a minor revision of Commissioner Chang's testimony regarding the FMC inquiry on truck detention as noted on page 3.

ACTION: Moved by Commissioner Chang, seconded
by Commissioner Coleman, carried.

ACTING EXECUTIVE DIRECTOR'S REPORT

Mr. Kiisk reported a bid was received on the small Paceco crane at Pier 80 from Schnitzer Steel in the amount of \$476,111 which was accepted. The crane will be stored at its present location for about a year and Schnitzer Steel will pay storage to the Port for this period.

Hyundai Heavy Industries was notified by letter that the Port will exercise its option for two additional cranes. Hyundai responded and contended the Port's right to assign its option to a third party, and further contended that exercise of its option had not been in timely fashion. Staff is discussing these issues with Hyundai representatives and will apprise the Commission of all developments.

Mr. Kiisk indicated a number of meetings he has attended on the subject of Mission Bay with representatives from City Planning, and anticipated a new direction for this project to be forthcoming.

Commissioner Chang requested information on the provisions of the contract with Hyundai; Deputy City Attorney Karikas indicated that she has provided the Commission with an analysis of the legal issues and felt it would be appropriate to discuss the matter in executive session.

President Halsted opined that the Commission should review City Attorney's analysis and calendar an executive session for the next Commission meeting to discuss this issue.

Mr. Kiisk asked the Commission to delete Item 4c noting that discussions with the Fisherman's Wharf Tenants Association and the promoters of the proposed event are taking place to resolve the issue.

It was also requested that Item 7b be deferred until the next meeting of March 9. Both requests were approved.

4. PROPERTY & FINANCE

Mr. Conrad presented Mr. Bob Parmalee to the Commission. Mr. Parmalee joins his staff as Head Accountant and will be responsible for Accounts Payable and Budget sections.

Two financial reports were submitted, 1) refunds and allowances in the amount of \$153,922 through January 31, 1988, and 2) sales and rental report through December 1987. Following a brief explanation by Mr. Conrad, the Commission approved the refunds and allowances by the following action.

ACTION: Moved by Commissioner Coleman, seconded
by Commissioner Chang, carried.

Ms. Schimke presented the Commission with three licenses for approval and the Commission so approved.

4c. This item was removed from the calendar.

5. PLANNING & RESEARCH

Dr. Rossi asked the Commission to defer the matter of a revised work scope for development of Piers 33-35 until a response has been received from interested parties. This matter will be continued to the call of the Chair.

6. MARITIME

Mr. Stone presented the Commission with a draft Brief on the Federal Maritime Commission inquiry into truck detention at marine terminals. Southern California independent truckers have requested FMC to institute a complex regulatory scheme where FMC would regulate charges and practices for movement of containers by trucking companies and owner/operators at the Ports of San Diego, Los Angeles, Long Beach, Oakland and San Francisco. Our Comments prepared by Port's FMC counsel, petition exclusion of San Francisco from the proceeding on the basis that no factual evidence exists to include San Francisco. Commission was asked to approve the draft which also includes specific efforts being undertaken by the Port to improve truck access and reduce truck detention time.

Mr. Stone further described the signage program which is being undertaken to increase and enhance Port's container facilities visibility. Mr. Ron Lord, California Stevedore & Ballast, asked that signs also be utilized to better identify the passenger terminal facilities. Mr. Stone responded that initially the focus will be on the container terminals but the passenger terminal signage will follow.

Commissioner Chang voiced his reservations about including comments in the Brief that address the merits of the Inquiry or the jurisdiction of the Federal Maritime Commission. It was his suggestion that in the event our request to be excluded is denied, the inquiry should then be extended to include all Pacific Northwest ports. President Halsted called for a motion. Mr. Stone suggested that this should be addressed if the petition is denied.

ACTION: Moved by Commissioner Coleman, seconded
by Commissioner Chang, carried.

7. ENGINEERING & MAINTENANCE

Captain Osborne asked the Commission for a modification to extend the professional services of Carol Brown, as fisheries consultant, for ninety days. Ms Brown has done an exemplary job in coordinating and coalescing the separate factions involved in this project. Staff indicated that the modification was to extend the time of the contract only, with no additional funds involved. Responding to queries from the Commission, staff stated that the contractor was exceedingly cost-conscious both in the development concept as well as in expenditures, and for these reasons all appropriated funds were not depleted.

Commissioner Chang questioned a statement made at a previous meeting, which justified the choice of an engineering firm as the prime contractor in this project, in lieu of an architectural firm. Mr. Kern clarified and restated this position, saying, 'This is fundamentally an engineering project, with far and away the greater anticipated activity is engineering.' Commissioner Chang asked for clarification regarding the 550 hours specified for concept design work, and it was explained that 350 hours have in reality been accounted for with the remaining for preliminary design activity.

Mr. Pat Flanagan, Standard Fisheries, addressed the matter of the Moffett-Nichol contract, and the need for greater communication with all parties involved in this project. Mr. Kern agreed to the need for expediting the contract, and stated that it was his understanding that the certified contract would be forthcoming within the week. Ms Brown is the most qualified person to translate the industry's needs to real design solutions, and for this reason the Commission's approval to modify the time period was requested.

ACTION: Moved by Commissioner Chang, seconded
by Commissioner Coleman, carried.

Item 7b was deferred until further notice.

NEW BUSINESS

Commissioner Chang introduced the subject of Supervisor Nelder's request for a draft ordinance to increase docking fees at the Port. Commissioner Chang read from Charter Sec. 2.401 referring to conduct of the Board of Supervisors, headed "non-interference of administrative matters." Commissioner Chang requested the Deputy City Attorney to research this Charter section and provide an opinion on the levels of participation the Supervisors may involve themselves in matters that are covered in this section. Ms Karikas agreed to provide an analysis to the Commission. Commissioner Chang cited instances where the Supervisors have become quite intensely involved in Port affairs.

Commissioner demurred with assuming an adversarial position, suggesting instead that staff attempt to establish better communication with the Board and thereby avert any hostility.

Commissioner Chang reiterated his strong feeling that in view of past experience with the Board exerting pressure on the Commission, he felt it important to ask for such an analysis.

At the conclusion of this discussion, President Halsted stated that a special meeting would be held on Friday, February 26, 1988 at 8:15 a.m. for discussion of CCSF v. Galerie Blanche, and the Commission would convene in executive session.

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:50 a.m.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF SPECIAL MEETING
FRIDAY, FEBRUARY 26, 1988

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The Port Commission met in special session on Friday, February 26, 1988 at 8:15 a.m. President Halsted called the meeting to order.

PRESENT: President Anne Halsted
Vice President James R. Herman
Commissioner James J. Rudden
Commissioner Arthur H. Coleman

ABSENT: Commissioner William Chang

The Commission convened for the purpose of discussing a matter of pending litigation, CCSF v. Blanche Pastorino, San Francisco Municipal Court No. 002-306, and an executive session was called as authorized under California Government Code Section 54956.9, subdivision (a).

At the conclusion of the executive session, Deputy City Attorney Clay announced that the Commission approved a settlement of the matter of CCSF v. Blanche Pastorino.

There being no further business, the President called for a motion to adjourn. It was so moved, seconded, and carried.

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~~SAN FRANCISCO PORT COMMISSION~~
MEETING OF WEDNESDAY, MARCH 9, 1988
MINUTES

The Port Commission met in regular session at 10 o'clock a.m. in the Commission Room, Suite 3100, Ferry Building.

PRESENT: President Anne Halsted
Dr. Arthur H. Coleman
James J. Rudden
William H. C. Chang

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ABSENT: Vice President James R. Herman

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President Halsted asked for approval of the minutes of the meetings of February 24, and 26, 1988.

ACTION: Moved by Commissioner Chang, seconded
by Commissioner Coleman, carried.

ACTING EXECUTIVE DIRECTOR'S REPORT

Mr. Kiisk reported on a recent meeting of the California Association of Port Authorities (CAPA) in Los Angeles which focused on proposed legislation by Assembly Speaker Willie Brown to establish a California Port Commission to accomplish the following:

- a) investigate and recommend policies that consolidate port affairs and responsibilities under one agency;
- b) investigate and recommend policies that include financial assistance for port development and maintenance;
- c) collect, analyze, and disseminate port development planning data, including origin and destination data by commodities and ports.

Participants at the meeting, the Port Directors of San Diego, Long Beach, Los Angeles, Hueneme, Redwood City, Oakland, Encinal, San Francisco, agreed meeting with the Speaker for further discussion of his intent should be forthcoming. Mr. Kiisk agreed to keep the Commission apprised of any developments in this matter.

Mr. Kiisk next spoke of the City's budget deficit, and what presently is being asked of the Port in this situation. He stated that as an enterprise agency the Port has not been asked to cut its budget by 20%, but that in the event of layoffs, the Port may be expected to assimilate personnel into our workforce.

Mr. Kiisk indicated the next subject for discussion at the executive staff meeting would be the financing for the proposed Pier 45/Hyde St. fishing facilities. This is the third session in a series of executive staff meetings which have so far covered the Pier 30/32

issue, and the Peninsula freight service. Mr. Kiisk assured the Commission that a summary of these meetings will be sent to the Commission at the conclusion of these sessions.

Discussion followed regarding the ramifications of the City's budget deficit on the Port's surplus, and the fact that there are provisions in the Transfer Agreement which restrict the use of surplus to public trust uses. State Lands Commission has made it clear there is administrative policy around this issue; for instance, the Port is entitled to an enumeration of the person-hours spent, and the tasks that were conducted before being paid for. Staff stated that the fundamental concept is that revenues derived from the Title and Trust cannot be expended outside the Title and Trust, but that the Port can compensate for services actually received. Staff was directed to prepare a position paper encompassing and defining the areas as dictated by the Burton Act and the Transfer Agreement.

PROPERTY & FINANCE

Mr. Kutnick, representing Mr. Conrad, presented two financial reports for Commission review - statement of accounts receivable, and a statement of revenues and expenditures.

Mr. Kutnick presented a request for approval of personnel non-civil service and temporary appointments and removals. Commissioner Coleman inquired about Ms Cincotta's status, and staff informed him that she was now under a personal service contract. Commissioner Coleman inquired if the Commission had reviewed Ms. Cincotta's contract and staff explained that the contract amount of \$49,000 did not require it being brought to the Commission since the Executive Director is authorized to approve a contract up to \$50,000. Mr. Kiisk stated that Ms. Cincotta will be handling arrangements for the AAPA convention to be held in San Francisco in September. President Halsted asked that the Commission be given periodic progress reports on the convention preparation.

ACTION: Moved by Commissioner Coleman, seconded
by Commissioner Chang, carried.

The next matter considered by the Commission was approval of licenses for various locations in the World Trade Center, as well as SWL 323-324 and Pier 27. Commissioner Chang questioned whether the Port is getting enough return for the parking lot at SWL 323-324. Commissioner Chang felt the net to the Port on a lot the size of SWL 324 should be in the neighborhood of \$5,000-\$6,000 versus \$1600 and \$9-10,000 for SWL 323 versus \$2200. Commissioner Chang advocated bidding out not only these two lots but all the parking lots on a short term license. He also introduced the idea of the Port directly operating these lots through a management agreement with an operator. Following the discussion, Commission approved the licenses, with the explicit instruction to staff to bring back its recommendation for the best approach for generating the maximum revenue for Port parking lots.

ACTION: Moved by Commissioner Coleman, seconded
by Commissioner Chang, carried.

MARITIME

Mr. Stone presented a request to modify the Nancy Pitt Advertising and Public Relations contract to extend the term to April 30, 1988 and increase funding to \$22,412. The modification is necessary because bidding on the advertising contract for the next fiscal year has been delayed due to HRC objections. Mr. Stone assured the Commission these difficulties have not been worked out and a bid closing date of March 16 has been set. Commission will be presented with a follow up to this matter at the first meeting of April.

ACTION: Moved by Commissioner Chang, seconded
by Commissioner Rudden, carried.

ENGINEERING & MAINTENANCE

Captain Osborne presented an update on the traffic control improvements at the intersection of The Embarcadero and Broadway. Although DPW has recommended installation of a traffic signal system, funding priorities placed this location at Priority No. 15. In the interim, a three way stop is proposed, along with a channelization treatment. Staff asked Commission approval for the interim proposal, and Commission further directed staff to request that DPW upgrade the traffic signal system on its City Signal System Priority Rating.

ACTION: Moved by Commissioner Chang, seconded
by Commissioner Coleman, carried.

The next item presented for Commission review was acceptance of work and authorization for final payment for the contract with Verrett Construction for entrance improvements at Pier 94/96. Commissioner Chang voiced an objection to the Commission policy of approving the acceptance by the Commission when the Commissioners do not have the technical expertise to determine the completion of the work in accordance with the contract. However, President Halsted indicated that the Commission had authorized the contract initially and therefore should be responsible for the final acceptance. Commissioner Chang pointed out that indeed it is the responsibility of the Commission to approve contracts, but once approved, the responsibility to implement and execute the contract is delegated to the Executive Director. In this regard, the final approvals of the work fall within the scope of implementing and executing the contract. In response, Mr. Kiisk agreed with Commissioner Chang and accordingly, Mr. Kiisk agreed to take on this responsibility of certifying the completion of the work pursuant to the contract. The request for approval was therefore withdrawn, and no action was taken.

The final engineering matter was a request to authorize the selection of a consultant for work on the Port Solid Waste Disposal Site Closure Plan for Piers 70, 94 and 96, and an additional supplemental appropriation for funding to perform this and related work. A protest has been filed with Human Rights Commission concerning the selection panel's credentials as well as its objectivity. The Commission requested further inquiry into this dispute, and took action only to approve the supplemental appropriation.

ACTION: Moved by Commissioner Chang, seconded
by Commissioner Coleman, carried.

LEGAL

An executive session was called at 11:00 a.m. for discussion of Contract No. 2532, as specifically authorized under California Government Code Section No. 54956.9, subdiv. (c). The Commission reconvened in regular session at 11:15 a.m. The Deputy City Attorney reported no action was taken in this matter.

There being no business, the meeting was adjourned at 11:16 a.m.

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~~SAN FRANCISCO~~ PORT COMMISSION
MEETING OF WEDNESDAY, MARCH 23, 1988
MINUTES

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The Port Commission met in regular session at 10:08 a.m. in the Commission Room, Suite 3100, Ferry Building.

PRESENT: President Anne Halsted
James R. Herman
William H. C. Chang

ABSENT: Dr. Arthur Coleman
James Rudden

President Halsted asked for approval of the minutes of the meeting of March 9, 1988.

ACTION: Moved by Commissioner Chang, seconded
by Commissioner Herman, carried.

ACTING EXECUTIVE DIRECTOR'S REPORT

Capt. Osborne informed the Commission that Mr. Kiisk, Mr. Stone, Mr. James Ho and Ms Veronica Sanchez from the Mayor's Office were in Taipei today to meet with Evergreen's Chairman Y.F. Chang to further discuss mutual benefits for the Port of San Francisco and Evergreen Lines. The party is due back in San Francisco on Sunday.

At Capt. Osborne's request, item 7a was deferred pending evaluation of the Human Rights Commission's report on a protest filed that concerned that item.

Capt. Osborne next called to the Commission's attention a status report from Stephanie Cincotta, Consultant for the AAPA Convention, which indicated that hotel arrangements are being finalized and attention was now turning towards the funding of the convention. Capt. Osborne indicated that the Port is working closely with AAPA national headquarters staff to work out the agenda for the conference itself, as well as the social program.

Next the Acting Director mentioned the participation of Pres. Halsted, Mr. Conrad and Mr. Rossi at the AAPA Strategic Planning Conference in Miami - March 15-18. He said there would be an executive staff meeting next week to discuss the results of that session with Port staff and how it could be applied to the forthcoming convention in San Francisco.

PROPERTY & FINANCE

Item 4a Mr. Conrad submitted three financial reports for Commission review and approval:

- 1) Statement of Accounts Receivable - Mr. Conrad indicated that receivables were down dramatically from last year's, now under \$40,000 for Non-Legal and under \$200,000 for Legal;
- 2) Sales and Rent report for January 1988 - Although total sales for all percentage rent tenants were up, January sales for the Fisherman's Wharf area were down, compared with January of last year. Mr. Conrad said he'd inquired of Wharf tenants if they could account for this decrease, but no solid explanation was offered for the fall in sales; but they noted that February sales were up. Pres. Halsted stated that if it's only a one month aberration there seemed no cause for concern;
- 3) Refunds & Allowances ending February 29, 1988 totaled \$162,972, of which \$122,048 (75% of the total) was for revenue sharing and allowances which the Commission has agreed to for various clients; billing adjustments of \$27,910 (17% of total); and writeoffs of Accounts Receivable of \$13,014 (8% of Total).

ACTION: Moved by Commissioner Herman, seconded
by Commissioner Chang, carried.

Item 4b - Ms Dorothy Schimke asked that license 11352 for Romulus Engineering Inc. be removed from the list of proposed licenses as the tenant had decided not to take this space. Also that an adjustment be made under Carmen Solis' space from 1200 sq. ft. to 1732 sq. ft. in order for her to have access space for her dumpsters.

Commissioner Chang questioned the construction time for Carmen to be fully moved in and asked that the permit for her minor building repairs be expedited by Port Engineering Dept. since she has waited long enough. Staff reported that the Port is repainting and removing the sign and making some repairs to the Pier 60 deck. Carmen's target date for moving in is May 1 or earlier if premises are ready, with rent commencing the day she moves in.

Commissioner Chang asked that in future the Commission be kept informed of Port contribution to tenant improvements for each of the licenses presented for approval.

ACTION: Moved by Commissioner Herman, seconded
by Commissioner Chang, carried

Item 4c Ms Schimke next requested approval of the sale of beer and wine under the Gelardi lease. The lease clause contains a provision that there shall be no additional uses without permission of the Port Commission, which has been interpreted by the City Attorney to mean that it takes Commission action to add the sale of beer and wine to the allowable uses.

Gelardi's has found themselves at a disadvantage in that they are required to maintain patio area for the use of others (patrons of Wharf crab stands etc.) - who send their customers to utilize Gelardi's tables, but buy their beer from other concessionaires while Gelardi's is unable to also sell liquor. Gelardi's therefore has requested permission to add alcoholic beverages; approval has already been obtained from the State Alcoholic Beverage Control (ABC). ABC requires physical enclosure and control of the space. Port staff is working with Gelardi's to design a planter system to contain the area. After Commission approval, City Planning approval still must be obtained.

Commissioner Chang asked why the planter system is being built before approval. Ms Schimke explained that there was a misunderstanding on Gelardi's part about what constituted a building permit and the work has been stopped. Port staff now is working out a modification to make the planters smaller and City Planning also wants them to be movable. Maintenance for the part enclosed by the planters will be Gelardi's responsibility. Improvements for the planters will be paid for by the tenant.

ACTION: Moved by Commissioner Herman, seconded
by Commissioner Chang, carried

PLANNING & RESEARCH

Item 5a Mr. Rossi introduced the next item, MUNI Metro Turnback project as an informational presentation only. Mr. Rossi emphasized no action was being requested. The presentation was scheduled to bring the Commission up to date on projects that would affect the Port. The MUNI Metro turnback project will bring the underground lightrail vehicle cars (Metro) under Market up to the surface so they can continue south towards Mission Bay and also provide a turnback facility. Two major alternatives are being studied on how that turnback will be handled. One would be underground and the other would be above ground.

Mr. Rossi stated that it is important to note the short term impacts on the Port during construction because there will major tunneling between the foot of Market St. and Pier 24. Long term impacts include issues of parking displacement, urban design and access issues associated with the different treatments.

Mr. Rossi turned the presentation over to Mr. Merrill Cohn of the Utilities Engineering Bureau, the Project Manager.

Mr. Cohn stated that the project is a subway extension easterly of the existing Embarcadero station and provides the MUNI Metro with a turnaround track to increase the frequency of turnbacks, provide supplemental storage tracks, disabled train storage tracks, and an alignment for a future extension to the south. He further noted that his presentation would only address the "turnback" project.

To describe the conceptual engineering phase of the project Mr. Cohn turned the presentation over to Mr. Bob Clemens of Bechtel.

Mr. Clemens stated the objective of the turnaround project was to provide additional capacity for turnback of trains twenty years hence, to provide an opportunity to improve efficiency of train operations, improve operating reliability, and provide future extension of MUNI to the south of China Basin area and further.

The project is presently in Phase 1 which is the conceptual engineering, operation studies and environmental review. The present phase will be completed in January of next year. There will be heavy emphasis on the engineering and operations issues through May of this year and then the balance of the project is the environmental phase. Phase 2 is the final engineering to be completed in mid 1990 and construction would extend over a three year period through 1993.

Four alternatives to be evaluated in the Environmental Impact Statement (EIS) were presented (the two major alternatives being 3 and 4):

Alternative 1 is the "no action" alternative and leaves the situation as it is today.

Alternative 2 is a series of nominal capital cost improvements to the system.

Alternative 3 is the surface alignment. The project would begin underground at the Embarcadero MUNI station and end at Howard St. The turnback facility would be at grade between Howard St. and Pier 24. The surface alternative would cost about \$50 million.

Alternative 4 is the underground alignment. The turnback facility would be underground. It is the more expensive of the alternatives - about an \$18 million difference from Alternative 3 - because of the underground work, for a total which would come to \$68 million.

Gary Deghi of Earthmetrics, Environmental Consultants was asked to discuss the environmental impacts of this project. Mr. Deghi indicated that discussions are being conducted with Port staff and other agencies. An environmental study is being prepared which will be published in August of this year and be circulated to the public. A public hearing would be held on the EIS. The EIS will review and evaluate parking displacement, maintenance of access, and traffic and pedestrian circulation during construction.

Mr. Rossi pointed out that if the Port Commission were to take any action or grant any rights, they must cite having read, understood and adopt the environmental impact report's findings. The Commission has a major responsibility to rely on that information. Mr. Rossi suggested holding a systematic briefing on all the projects affecting the Embarcadero for the Commission in the future. He also suggested making a central space available in the Ferry Bldg. to keep the public and/or tenants informed about the phases of the project. President Halsted concurred with Mr. Rossi and asked that another project review report be scheduled in another month or two.

Pres. Halsted thanked the speakers for their presentations.

ENGINEERING & MAINTENANCE

Mr. Jarrard next presented Item 7b seeking Commission endorsement of changes to streets and sidewalks in South Beach area to allow legislation to go forward to the Board of Supervisors. These include:

- 1) Endorsement of sidewalk width changes at Townsend, Brannan, Beale and First St.
- 2) Vacation of portions of Townsend, First and Beale Streets that are no longer needed for street purposes.
- 3) Dedication of a portion of SWL Lot 333 for street purposes so that Townsend St. can be realigned at its approach to an intersection with The Embarcadero at a right angle.

Mr. Jarrard explained that the Dept. of Public Works has the lead in getting this legislation through although portions of the affected streets and sidewalks are under Port jurisdiction and some portions are under DPW jurisdiction. DPW has the mechanism for doing this and will carry this through to the Board of Supervisors who must approve the changes by legislation.

ACTION: Moved by Commissioner Chang, seconded
by Commissioner Herman, carried.

PUBLIC COMMENT

Status of Commodore Helicopters - This item was included on the agenda at the request of the public in order to get a status report on the present litigation and to make their feelings known. Since this matter is under litigation, Ms Clay indicated there would be no action by the Commission.

Ms Lisa Clay, Deputy City Attorney, handling the Commodore litigation on behalf of the Port, indicated that the Port obtained a judgment in August 1986, which was appealed by Commodore Helicopters and the City is now awaiting decision on the appeal. As of this morning she reported no decision has been rendered.

Ten (10) speakers were present who spoke against the continuance of Commodore Helicopters. They represented Russian Hill Neighbors, Telegraph Hill, Potrero Hill and private citizens concerned about the refusal of Commodore Helicopters to leave Port property. Their concerns were the noise pollution to their neighborhood and safety. Several speakers noted that Commodore's lease had expired in September 1985 and wished the operations to end. A letter from Bob Katz from Telegraph Hill was submitted which reiterated the views above mentioned.

On behalf of Commodore Helicopter, Mr. Martin Eber, attorney representing Commodore, cited what he characterized as misinformation regarding the helicopter operation in that they do not fly over the Marina, but over the Bay. Also that they have minimized the noise by consulting a Noise Engineer from San Francisco Airport Commission; that they have a very clean safety record in San Francisco and that the City could use the revenue derived from their operations. Mr. Eber further indicated Commodore intended to pursue every legal approach available to them to remain on the premises. He further asked the Port consider re-leasing the premises to Commodore. Nine (9) parties present in support of Commodore included members of the Fisherman's Wharf Merchant's Assn. and Tenants Assn. as well as Mr. Hurley.

President Halsted thanked all present for sharing their views pro and con with the Commission.

LEGAL

The Commission withdrew to executive session at 11:33 to discuss resolution of Loncola v CCSF, La Farga v. CCSF and Kathleen Williams v. CCSF, all matters of pending litigation. The Commission reconvened at 11:50 a.m. and the Deputy City Attorney announced approval of settlement in all three matters.

There being no further business, the Commission adjourned at 11:52 a.m.

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~~SAN FRANCISCO~~ PORT COMMISSION
MEETING OF WEDNESDAY, APRIL 27, 1988

M I N U T E S

The Port Commission met in regular session at 10 o'clock a.m. in the Commission Room, Suite 3100, Ferry Building.

PRESENT: President Anne Halsted
Vice President James R. Herman DOCUMENTS DEPT.
Commissioner Arthur H. Coleman, M.D. OCT 3 1988
Commissioner James J. Rudden

ABSENT: Commissioner William Chang

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President Halsted asked for approval of the minutes of the meetings of April 13, 1988.

ACTION: Moved, seconded, carried.

The Commission presented testimonials of appreciation to three individuals who retired from Port service: Mr. Eugene L. Gartland, 5 years Executive Director, Officer Gerry Jones, 26 years for combined Port/State service, and Mr. James Shields, 22 years of Port service.

President Halsted suggested, and the Commission concurred, the executive session calendared for discussion of Continental Development Corp. would be taken as the first matter of business.

Commission convened in executive session at 10:15 a.m. and reconvened at 10:35 a.m. at which time Deputy City Attorney Clay announced no action taken, and the matter deferred until the next meeting.

At the conclusion of the executive session, the Commission considered the matter under New Business which was a request by Lu Hurley to appear before the Commission. This was in deference to the large turnout of people who wished to testify in support of Mr. Hurley. President Halsted asked that speakers be brief and that testimony not be repetitive, and cautioned that no action could be taken by the Commission at this meeting, although public testimony can be heard. The City Attorney advised that if the Commission should wish to discuss this matter, (since this is a matter of pending litigation), she advised this be done in executive session.

Mr. Martin Eber, Mr. Hurley's attorney, explained that his client is asking the Port's permission to make applications to the appropriate City entities, pending those applications to withhold any action on the eviction, and if those applications are granted, to then enter into lease negotiations with Commodore for a new term at his present location. Mr. Hurley then addressed the Commission, citing his long-term tenancy at the Port, the \$150,000 in annual rent paid to the Port, his pioneering in the helicopter field in the Bay Area, and his strong desire to continue operating his successful tourist attraction business.

A large contingent of supporters testified on behalf of Mr. Hurley, including many Fisherman's Wharf merchants, and neighbors of Commodore Helicopters. Speaking in opposition were residents of the Russian Hill, Telegraph Hill, and Nob Hill communities. Testimony was also given by Maurice A. Garbel, an acoustical consultant, and Sgt. Gary Epperly, of the San Francisco Police Department, who monitors noise conditions. Mr. Van Egri, and Mr. Katz, speaking in opposition to Mr. Hurley's request, cited the Appellate Court decision denying his appeal.

President Halsted thanked everyone for their interest in coming down to the Port to testify, and set the next meeting for further discussion of this matter.

Dr. Coleman specifically asked the City Attorney to determine what precisely is being asked of the Commission, in order to avoid any question of illegality in this matter. Counsel for Mr. Hurley and the City Attorney agreed to discuss and determine the specific request to calendar this for the next meeting.

Commission returned to the regular agenda and discussed the use of a consent calendar procedure for the remaining matters. There being no objection, President Halsted called for a vote on items:

4b) License and lease No. 11362 located at Pier 15-17;

4c) Approval of resolution to accept the loan of nameboards to the Port from the National Park Service;

6a) Authorization to submit comments to the Interstate Commerce Commission concerning application of the Denver Rio Grande Industries, Inc. et al for control of the Southern Pacific Transportation Co.;

6b) Approval to submit comments to the Federal Maritime Commission on the California Trucking Association petition for rulemaking to regulate the computation of truck detention time and penalties with regard to delays at seven California ports; and

6d) Approval of terminal revenue sharing agreement with Associated Container Transportation (USA), Blue Star Line Ltd., and Columbus Line.

ACTION: Moved, seconded, carried.

Item 4d) Approval of permit fees for use of Port streets for such events as foot races, bicycle races, etc. was postponed for the next meeting for a staff presentation.

In the matter of approving a license for the Living History Centre, Commissioner Herman observed that the Commission would steadfastly support consultation and discussion with the community, but the community should not construe this to mean "veto power" over what the Commission will or will not do within Port jurisdiction.

Item 2D - The salary range for the Executive Director for fiscal year 1988-89 - was discussed by the Commission, after a briefing by Mr. Amano, Personnel Director. Due to timing constraints of the budget process, and the possibility of utilizing a supplemental appropriation should it become necessary, the Commission voted to approve the salary range as presented.

ACTION: Moved, seconded, carried.

Dr. Coleman interjected the request to calendar discussion of the budget appropriation for the Human Rights Commission for the next Commission meeting. President Halsted indicated agreement to this request.

The Commission withdrew to executive session for discussion of the settlement of the matter of Micco v. CCSF, Superior Court No. 850-075. At the conclusion, the Commission reconvened and City Attorney announced a settlement in this matter.

There being no further business, the meeting was adjourned in memory of two loyal and dedicated Port maintenance employees, Martin Birmingham who died April 9 and Roy Milina, who passed away on April 17, 1988.

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~~SAN FRANCISCO~~ PORT COMMISSION
MEETING OF WEDNESDAY, APRIL 13, 1988
M I N U T E S

The Port Commission met in regular session at 9 o'clock a.m. in Suite 3100, Ferry Building.

PRESENT: President Anne Halsted
Commissioner James J. Rudden
Commissioner Arthur H. Coleman
Commissioner William Chang

ABSENT: Vice President James R. Herman

President Halsted asked for approval of the minutes of the meeting of March 23, 1988, and Commission took the following action.

ACTION: Moved by Commissioner Coleman,
seconded by Commissioner Rudden, carried.

President Halsted called on the representative from Peat, Marwick Inc. Ms. Betty Armstrong for a status report on the search for an executive director being conducted by Peat Marwick.

Ms. Armstrong indicated the steps being taken by her firm which include advertising locally and nationally, contacting Port Authorities, and soliciting qualified candidates. Dr. Coleman inquired whether advertising had been placed in minority newspapers to ensure efforts in minority recruitment. Ms. Armstrong indicated that although advertising was not specifically done in minority publications, her firm does utilize a list of Black, Asian, and Hispanic organizations to maximize its effort in that direction. Ms. Armstrong stated she had met with the Citizens Advisory Committee, representatives of the Northern Waterfront, as well as the Southern Waterfront, and an environmental group to discuss those qualities and characteristics which are being sought in the filling of this position. It is anticipated that it will be mid-May before all appropriate organizations, and prospective candidates have been reviewed.

The president announced the Commission's intention to go into executive session as specifically authorized under California Government Code Section 54956.9(a), for discussion of CCSF v. Continental Development Corporation, Superior Court No. 306-225.

At its conclusion, at 10:22 a.m., Deputy City Attorney Clay announced that no action had been taken by the Commission.

The next matter the Commission considered was to formalize a procedure which would set the Executive Director's salary range annually. Mr. Amano, personnel director, presented a resolution in which the Commission would annually review relevant salary and compensation data from West Coast ports, establish a salary range, and set an actual salary rate within said range.

ACTION: Moved, seconded, carried.

A companion resolution was next reviewed by the Commission which set a salary range for the position of Executive Director from \$92,916 to \$103,617. Staff explained that the possible passage of Proposition B could restrict the Director's salary to the 1987-88 level, and freeze the salary at \$98,962.

Commissioner Chang expressed his reluctance to set the maximum at the \$103,617 figure as this could hinder our goal of "attracting a topnotch director to this position". After discussion by the Commission, the decision was made to postpone this matter pending further research.

ACTING EXECUTIVE DIRECTOR'S REPORT

Mr. Kiisk informed the Commission that Angela Karikas, General Counsel for the Port, has been reassigned to the Public Utilities Commission. Mr. Kiisk expressed staff's appreciation and regrets at Ms. Karikas' leaving. Commissioner Coleman expressed his personal regrets, and praised Ms. Karikas for her quiet strength and abilities. Commission passed a resolution expressing its appreciation to Ms. Karikas.

President Halsted informed the Commission that Lucinda Pope Scanlan, Assistant Property Manager, is also leaving to take a position with Qantas Airlines at the end of April. The Commission expressed its congratulations to Mrs. Scanlan and wished her well in new endeavors.

Mr. Kiisk next reported to the Commission on his and Mr. Stone's trip with representatives from the Mayor's office, Mr. James Ho, and Mrs. Veronica Sanchez to the Orient. Mr. Kiisk informed the Commission that the Port delegation was received by Chairman Chang of Evergreen Group who hosted a dinner reception for the Port. Mr. Kiisk expressed his viewpoint that this was a very positive meeting and that Evergreen would continue its tenancy at the Port.

PROPERTY & FINANCE

Mr. Conrad presented a request to approve appointment to a temporary position, pending certification of this employee from the Civil Service eligible list.

ACTION: Moved by Commissioner Coleman,
seconded by Commissioner Rudden, carried.

Mr. Conrad presented one financial report - revenues and expenditures report through February 29, 1988.

Ms. Schimke next requested approval for one 30-day license for the Simco Group, and withdrew a request to approve a license for Terrence Forgette which had not been finalized.

ACTION: Moved, seconded, carried.

Ms. Schimke presented a request by Pier 33, Inc. for an adjustment of its percentage rent of 6% for food; 8% for alcoholic beverages, and 10% for all other uses. Ms. Schimke explained that staff had determined these rates to be market, and would allow the tenant an opportunity to be competitive with other restaurants in the area.

ACTION: Moved, seconded, carried.

Commission was next presented with a request to review a pending license with Living History Center for presentation at Pier 45 of a proposed "Old San Francisco Gold Town" event. Ms. Schimke reviewed the February 10 action which sanctioned the presentation, and noted that subsequently the Fisherman's Wharf Merchants Association presented its strong objections to this event, principally due to the parking and traffic problems such an event would engender during the peak summer season.

President Halsted called for public comment. Phyllis Patterson, president of the Living History Center, spoke briefly about the proposed event, and of the constraints of scheduling such an event due to set-up and take-down time. She cited the efforts her firm has made to mitigate any potential traffic congestion, as well as the arrangements for additional parking. The Commission inquired about the possibility of other Port sites, and Pier 15-17 was suggested as an alternate.

Commissioner Coleman commented that the concept of the proposed event was certainly not in question, and suggested that comments address only what impact such an event would have on the area.

Opponents to the Living History Center event, representatives from Fisherman's Wharf Merchants Association and Port Tenants Association, were as follows: Mary Helene Lolli, Nunzio Alioto, Pat Flanagan, Peter Brown, Chris Martin, Alexander Baccari. The overall concern focused on the poor timing of the event, at the height of the Wharf's tourist season, with the resulting parking and traffic peaks already taxed to capacity.

Mr. Howard Hamburg, planning director, for the Living History Center, addressed some of the concerns by noting the mitigation measures, such as additional parking elsewhere on the waterfront, with shuttle service provided to the area, that are planned.

At the close of public testimony, Deputy City Attorney Clay advised the Commission of the possibility of a law suit in this matter, and suggested further discussion take place in a closed session.

President Halsted asked the public to clear the room and the Commission withdrew to executive session at 11:35 a.m. Commission returned to open forum at 11:50 a.m. City Attorney Lisa Clay announced that no action was taken, and the matter will be postponed until the next meeting of the Commission.

President Halsted announced that the remaining agenda matters, with the exception of Item 7b, would be considered as a consent calendar. There being no public testimony in these matters, President Halsted called for a vote.

ACTION: Move approval by Commissioner Coleman,
seconded by Commissioner Chang, carried.

Item 7b was then discussed, and it was the decision of the Commission upon recommendation of the Human Rights Commission, to instruct staff to advertise the Pier 70, 94, 98 Dumpsite Closure consultant contract in three standard publications, and request interested consultants to submit a Notice of Intent to make a proposal.

ACTION: Moved, seconded, carried.

There being no further business, the Commission adjourned at 11:56 a.m.

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5/11/88

SAN FRANCISCO PORT COMMISSION
WEDNESDAY, MAY 11, 1988
M I N U T E S

The Port Commission met in regular session at 9 o'clock a.m. in the Commission Room, Suite 3100, Ferry Building.

PRESENT: President Anne Halsted
Vice President James Herman
Commissioner Arthur H. Coleman
Commissioner James J. Rudden

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ABSENT: None

President Halsted asked for approval of the minutes for the April 27, 1988 meeting, and it was so moved, seconded, and carried.

ACTING EXECUTIVE DIRECTOR'S REPORT

Mr. Kiisk reported on the removal of the whale at Pier 70, and the subsequent towing of the mammal out to a specified location for burial. Mr. Kiisk expressed thanks to Port staff members, and in particular, thanked Dr. James Deiter, of the Marin Mammal Institution, for his invaluable assistance, and Lt. J.G. Ray Perry of the Coast Guard for his efforts. The maintenance department crew and Ms. Barbara Cooper, industrial hygienist, were also commended for their efforts.

Mr. Kiisk spoke of meetings between the Bay area ship repair representatives and the Mayor, and the impending Washington, D.C. visit to discuss the future of the ship repair industry, as well as meeting with the Navy regarding the USS Missouri.

Other meetings attended by Mr. Kiisk were with Mr. Anschutz, of the Denver-Rio Grande railroad and the Mayor, State Lands Commission, and California Boating regarding financing for Hyde Street Pier project.

Port Commission welcomed Ms. Irene Nishimura to the Port. Ms. Nishimura begins her employment with the Port as Assistant Planner, and comes from City Planning.

As the next order of business, President Halsted asked that the Commission withdraw to executive session for discussion of personnel matters, as specifically authorized under California Government Code Section 54957. Commission will also discuss CSSF vs Commodore Helicopters, a matter of pending litigation, specifically authorized under California Government Code Section 54956.9, subdivision (a). Public discussion of this issue to be heard following the executive session.

The Commission withdrew at 9:10 a.m. and reconvened in regular session at 10:05 a.m. City Attorney Clay announced no action was taken in both matters.

President Halsted with Commission concurrence indicated Item 8 would be heard out of order. This is a request by Commodore Helicopters to:

- a) authorize Commodore Helicopters to apply for a change in the Northern Waterfront Plan element of the Master Plan, and C.U. permit;
- b) authorize Commodore Helicopters to apply for BCDC permit;
- c) authorize permit applications to Redevelopment Agency, should this pertain;
- d) forego execution on Port's judgment for possession pending all applications as above.

The staff recommendation as reported by Dr. Randy Rossi was for the Commission to deny all the requests, based on the legality of the use of these premises, which the Courts have said are contrary to the Master Plan, and the Port Commission has no legal authority to permit this use. Dr. Rossi stated that an amendment to the City's Master Plan to allow such use is in the purview of the Planning Commission, and Commodore (or any other party) can apply directly to that agency.

(The complete staff recommendation is made a part of the official record by inclusion hereto.)

Public testimony was given, with opponents and proponents speaking alternately. Arguments in support of allowing Commodore to remain spoke of rescue missions provided to fishermen by Commodore, as well as the economic factors of lost revenues to the Port. Conversely, testimony opposing Commodore's continued operation emphasized the legal aspects of the issue, and the adverse impact on neighboring residential properties. At the conclusion of the public testimony, President Halsted asked for comment from the Commission. Commissioner Coleman suggested that the Commission take sub-item(d) as its first consideration, that is, whether to stay execution of the judgment for possession of the premises. This being agreed to, Dr. Coleman stated his support for executing the judgment based on the legal aspects of this matter.

Commissioner Rudden reiterated Commissioner Coleman's statement, saying that although he sympathized with Commodore Helicopter's need to stay in business, that legally it was clear the Commission could do nothing but uphold the Court's ruling and execute the judgment for possession. Commissioner Rudden expressed his hope that the Port could provide some resolution to this issue which would be equitable to all sides.

Commissioner Herman, while acknowledging the validity of the prior statement, expressed his reluctance to shut down a flourishing business which has been in operation for almost 18 years, thereby depriving fifteen people of their livelihood. In his opinion, the noise factor complaint put forth by Russian Hill, and Telegraph Hill was not a significant one, but rather a condition of city living. Commissioner Chang expressed a similar viewpoint with Commissioner Herman, personally did not object to their presence as a Telegraph Hill resident, but the legal opinion expressed by the City Attorney necessitated his upholding the judgment.

President Halsted expressed her thinking on the matter, acknowledging the contribution of the helicopter operation to the Port fiscally, and to the tourist and rescue services, but reiterated that there is a public policy on this issue which precludes the Commission from allowing such illegal use of this property.

Commissioner Herman asked for a possible extension of time in which to allow the operator some breathing space in which to explore alternative sites, or options. Deputy Attorney Clay noted that the helicopter study which is presently underway is evaluating other possibilities for sites. A discussion of interim measures by the Commission led counsel to suggest that the Commission withdraw to executive session. Commission therefore went into executive session at 11 a.m. and reconvened at 11:22 a.m. At which time, it was stated that no action was taken.

Commissioner Coleman then made the following motion.

ACTION: Moved to vote no on Issues a,b,c,d before the Commission in relation to the Commodore Helicopter matter. This was seconded by Commissioner Chang, with 4 affirmative votes, and 1 negative. Motion carried.

PROPERTY & FINANCE

Mr. Conrad presented four financial reports: status of accounts receivable, sales and rent report, statement of revenues and expenditures, and refunds and allowances in the amount of \$140,245. Commission voted unanimous approval of the refunds and allowance report, as requested.

Ms. Schimke presented licenses for approval, and withdrew license no. 11366 pending completion of paperwork in this license.

ACTION: Moved, seconded, carried.

Commission was next presented with a request by staff to regulate use of Port property for special events such as bicycle races, foot races, and others. Staff recommended approval of a permit fee to be charged sponsoring organizations to offset administrative costs incurred by Port staff. Surveying other departments, such as Recreation & Parks, Municipal Railway, Police, and Public Works, indicates a variety of methods for recovering costs. Discussion followed suggesting that staff should have negotiating rights to elicit higher fees if indicated, as well as the right to exempt a group from a permit fee. Ultimately, the Commission took the following action, approving a \$500 fee for processing plus any direct Maintenance department charges.

ACTION: Moved, seconded, carried to approve Resolution No. 88-57 to be effective July 1, 1988.

Commission was next asked to approve a lease at Pier 46b with Roberts Furniture Co. for 12,750 square feet of warehouse space. Brief discussion followed on the amortization terms.

ACTION: Moved, seconded, carried.

Commission next reviewed a resolution to approve an amendment to a lease for Pier 70 space to the Police Department, which adds approximately 25,700 s.f. known as Option Area C.

ACTIONS Moved, seconded, carried.

The next matter for review and discussion by the Commission was recognition of the Port's need to develop a Strategic Plan, and the need to fully fund anticipated dredging. Staff presented a proposed revised budget incorporating recommendations from the Mayor's office such as additional funding for HRC, hazardous waste material handling, dredging, and consultants for strategic planning.

ACTION: Moved, seconded, carried to approve Resolution No. 88-60.

MARITIME

Item a) and b) were deferred to the next meeting of the Commission.

Mr. Stone advised the Commission that the Bay Area Seaport plan is presently in the process of being revised, and that the results of this revision will have a significant impact on the future development of marine terminal facilities in the Bay Area. In light of this process, and the Port's interest in developing a strategic plan, Mr. Bob Hanelt, of Manalytics, was presented to the Commission to provide an informational briefing on the revised plan. Mr. Hanelt gave a detailed and comprehensive presentation and a brief analysis of the impact of these changes on the Port's projects. At the conclusion, Commission queried Mr. Hanelt on some of the particulars of the Seaport plan, the primary purpose of which is to set aside deepwater development sites for the future. Commissioner Herman inquired if this were not landbanking and if so, who would standfast when other demands such as ship repair, or ship building, or condominiums surface. At the conclusion of this discussion, President Halsted asked for a motion to adjourn.

Meeting adjourned by unanimous vote at 12:20 p.m.

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~~SAN FRANCISCO~~ PORT COMMISSION
MEETING OF MONDAY, MAY 16, 1988
M I N U T E S

PRESENT:

President Anne Halsted
Vice President James R. Herman
Commissioner Arthur H. Coleman, M.D.
Commissioner James J. Rudden
Commissioner William Chang

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MAY 19 1988

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The Port Commission met in a special session on Monday afternoon at 1:30 p.m. for discussion of a matter of pending litigation. Deputy City Attorney announced the Commission would withdraw to executive session to discuss the matter of CCSF v. Continental Development Corporation, San Mateo Superior Court No. 306-225, as specifically authorized under California Government Code Section 54956.9(a).

The Commission also received a progress report from Peat, Marwick & Main on the search for an executive director in executive session as specifically authorized under California Government Code Section 54956.7.

The Commission reconvened at 2:22 p.m. at which time it was reported that no action was taken. The Commission adjourned at 3:00 p.m.

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SAN FRANCISCO PORT COMMISSION
WEDNESDAY MAY 25, 1988
M I N U T E S

The Port Commission met in regular session at 10 o'clock a.m. in the Commission Room, Suite 3100 Ferry Building.

PRESENT: President Anne Halsted
Commissioner James J. Rudden
Commissioner William H.C. Chang

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ABSENT: Vice President James R. Herman
Commissioner Arthur H. Coleman

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The minutes for the meetings of May 11, and May 16, 1988 were approved with one correction. Commissioner Chang noted that he did attend the meeting of May 11, and was not absent as indicated in the minutes. The correction is hereby noted.

ACTING EXECUTIVE DIRECTOR'S REPORT

Mr. Kiisk reported on the development of procedures for a strategic planning study by senior staff with recommendations for the establishment of a Strategic Planning Steering Committee. This Committee composed of the President of the Port Commission, the Executive Director, and the Deputy Mayor for Business Development would be assisted by an advisory group of ten individuals. The Commission approved Resolution No. 88-65 to initiate the study.

PROPERTY & FINANCE

Mr. Conrad presented three financial reports to the Commission for review and requested approval for refunds and allowances in the amount of \$95,768.

ACTION: Moved, seconded, carried.

Ms. Schimke submitted five licenses for Commission approval, and these were so approved. Commission was advised that Carmen's Restaurant opened at the new location, and Blanche's Garden would be ready for her opening in late June or early July.

MARITIME

Mr. Stone gave a brief status report on the cruise industry task force which was formed to bring together all factions of the industry to develop and implement a program to increase cruise ship business in San Francisco. One of the key ideas to come out of the first meeting was a realization that although San Francisco is geographically disadvantaged for a cruiseline port, a unified marketing approach by the City and the Port could overcome this problem, and once the demand is established, and San Francisco has the passengers, then a location for a new passenger terminal could be determined.

Mr. Stone, in response to President Halsted's request, explained that San Francisco's location at a mid-point between Mexico and Alaska placed us at a disadvantage because this necessitated a 10 or 12-day cruise, instead of a shorter 5 or 7-day cruise, which is less expensive and therefore accessible to more people. This is the market which is in highest demand right now. Two committees were formed, to conduct a survey which would identify a passenger market for us, and also to establish an incentive effort to attract and increase a greater volume of passenger business.

The second matter for Commission approval is a lease for warehouse space from Stockton Terminal and Eastern Railroad and a management agreement with both to operate this space as an annex. Mr. Stone outlined the benefits to the Port as a new market opportunity to our shipping lines by combining an international cargo and domestic cargo for greater distribution, and the development of combinations of trucking, consolidation, transloading, warehousing and rail services.

ACTION: Moved, seconded, carried to
approve Resolution No. 88-61

ENGINEERING & MAINTENANCE

Commission next authorized acceptance of all work under Contract 2554 Fisherman's Wharf Crab Pot Drains and Paving, including all modifications thereto, and make final payment for a total contract payment of \$65,494.

ACTION: Moved, seconded, carried to
approve Resolution No. 88-63

Commission was asked to authorize and name three operating managers of the Maintenance Department to acquire Federal Surplus property which is available from the Surplus Property Division of the California State Department of General Services in Sacramento.

ACTION: Moved, seconded, carried to
approve Resolution No. 88-64

NEW BUSINESS

Mr. Martin Eber, representing Commodore Helicopters, and Lu Hurley, requested the Commission to reconsider its decision to allow the eviction of his client, stating that there was a misconception on the part of some of the Commission that there was personal liability involved in allowing Commodore to continue its occupancy. City Attorney advised the Commission that an executive session was in order for discussion of this request. Commission withdrew at 10:40 a.m. for executive session. At its conclusion, Commission reconvened in regular session at 10:55 a.m. and City Attorney announced no action was taken.

There being no further business, the Commission adjourned at 10:56 a.m.

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PORT OF
FERRY BUILDING



SAN FRANCISCO

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May 27, 1988

Minutes

The Special Executive Session Commission meeting scheduled for Friday, May 27, 1988 was cancelled for lack of a quorum.

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Respectfully submitted,

Secretary to Port Commission

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SAN FRANCISCO PORT COMMISSION



[Minutes]

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There were no meetings on June 18, and 28.

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SAN FRANCISCO PORT COMMISSION
WEDNESDAY, JULY 13, 1988
M I N U T E S

The Port Commission met in regular session at 10:05 a.m. in the Commission Room, Suite 3100 Ferry Building.

PRESENT: President Anne Halsted
Vice President James R. Herman
Dr. Arthur H. Coleman, Member
James J. Rudden, Member
William H. C. Chang, Member

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ABSENT: None

President Halsted called for a motion to approve the minutes of the meeting of June 22, 1988 and it was so moved, carried.

EXECUTIVE DIRECTOR'S REPORT

The Commission presented a commendation to Mr. Chuck Bevan, a long-time Port employee, for exemplary service and duty. Mr. Bevan, who is in charge of meter collections was instrumental in apprehending and effecting the arrest of a perpetrator involved in thefts from the Port parking meters. The Commission extended a hearty well done to this employee.

Mr. Kiisk reported on the progress of the AAPA convention - stating that contributions are being received at a steady pace, and the Port of Oakland will host an evening reception and boat trip as part of the week's convention. Solicitations for sponsors are being handled by Ms. Cincotta.

On July 11, the Port submitted its response to the Southern Pacific railroad acquisition by Denver-Rio Grande for which the Port expressed its support to the I.C.C. The Port asked in particular for covenants to protect the Peninsula corridor for freight and passenger service.

EXECUTIVE SESSION

President Halsted indicated with no objection from the public and no legal reason prohibiting it, the Commission would adjourn to executive session for discussion of Public Employee Retirement System benefits, and also for discussion of real estate negotiations pursuant to California Government Code Section 54956.8. The Commission concluded the executive session and returned to public forum. Deputy City Attorney reported the Commission took no action in the matter of Public Employee Retirement.

benefits, and deferred this matter for the meeting of July 27, 1988. The Commission took the following action regarding negotiations between the City and the Santa Fe Pacific Realty Corporation.

The Commission approved Resolution No. 88-82 endorsing the concept of a land exchange by and between these two entities as part of the Mission Bay project. The resolution acknowledges that such an exchange is subject to lawful review and final approval by this Commission, as well as other Commissions, such as the State Lands Commission, and further that full value for any exchanged lands shall be a condition of such exchange.

The Commission returned to public session at 10:36 a.m. and the regular agenda for the meeting.

PROPERTY & FINANCE

Commission reviewed and approved personnel non-civil service appointments for the month of June 1988.

Commission next reviewed financial documents as submitted, and deferred approval of refunds and allowances until the next meeting in July. Mr. Conrad requested the Commission approve additional supplemental funding for the fireboat PHOENIX in the amount of \$131,628. Discussion followed regarding the vacation relief allocation for fire lieutenant and captain. Staff indicated that at the conclusion of the budget process, discussions are anticipated with the Fire department and Civil Service in an attempt to reduce some extraneous costs.

Commissioner Coleman raised the question of the propriety of this expenditure under the Trust Agreement, and the City Attorney opined that from a State Lands and Trust point of view, neither purpose or the spirit is violated, the Fire department is providing an essential Port service.

ACTION: Moved by Commissioner Chang to approve the original Res. 88-77, seconded by Comm. Coleman, carried.

Commission was next asked to review and approve licenses and leases for property located in the World Trade Center, Ferry Building and Pier 26.

ACTION: Moved, seconded, carried.

A gift of a ceramic mural for exhibit in the Commission Room was presented to the Commission by the artist, Mr. Guillermo W. Granizo. Samples of the ceramic tiles comprising the mural and an illustrative brochure were offered for review. The Commission passed Resolution No. 88-78 formally accepting the three-panel mural and thanked Mr. Granizo for his generous gift.

The next matter for discussion was the donation to the Festa Italian of \$25,000 by the Port Commission. Staff indicated that pursuant to Commission's request, a review was made of the financial and accounting reports for this organization for the year. Particular

attention was directed to the list of donation recipients for prior years, as well as the existence of a cash surplus of \$50,000 retained by Festa VI which indicated Festa's growth into a financially independent and viable program.

Commissioner Chang reiterated his request for an annual budget for contributions to worthwhile community projects rather than addressing them in a piecemeal fashion. Staff was directed to submit a charity/promotional event projected budget for review by the Commission.

Mr. Nunzio Alioto, representing Festa Italiana, gave a brief chronology of Festa which began six years ago and intimated that the organization is very willing to support a street cleaning and trash pickup program as partial reimbursement for the Port's investment.

ACTION: moved, seconded, carried.

PLANNING & RESEARCH

Dr. Rossi presented the Commission with a report concerning the future of passenger ferry service on the Bay and its role in providing shoreline access. He indicated that interest in developing a ferry facility has been expressed by several different groups including the City of Vallejo, and Harbor Bay Business Park. Dr. Rossi suggested the Port should consider making multi-user facilities available rather than encouraging single-user exclusivity to each lessee. He offered the possibility of making use of existing single-user facilities, such as Golden Gate Bridge District and Red & White Fleet, by converting these into multi-use operations. The issue for Port Commission's decision is whether to facilitate ferry service or not.

Mr. Craig Whitton, City of Vallejo, expressed support for the concept of multi-use facilities and encouraged the implementation of non-exclusive docking facilities on the San Francisco waterfront.

Discussion followed regarding the restrictive covenants prohibiting any ferry service within a ten-mile radius until the bridge bonds were satisfied. Staff referred to recent legislation relative to this matter.

Commissioner Chang urged the Commission to include this issue as well as other licensing as part of an overall strategic plan, rather than in a piecemeal attitude. He emphasized one facet of this lack of overview being the under-utilization of Ferry Building retailing and marketing in conjunction with the Golden Gate ferry passenger service. As ferry service is developed, (strongly supported by him), Commissioner Chang urged this be a stepping-stone creating higher and best use of Port's waterfront property.

Dr. Coleman cautioned against any premature action in advocating any type of multi-use ferry facility which might engender subsidizing by the Port or the City, a point agreed to by Dr. Rossi.

Captain Osborne introduced the next item for consideration as an informational presentation by the Department of Public Works on progress of the Embarcadero Parkway, to be followed by a discussion of the future of the Belt Line Railroad on the Northern Waterfront. Ms. Peg Divine, of DPW, gave a detailed presentation of the schematics of the urban design plan for the Embarcadero. Bechtel Engineering is consultant to DPW, and is actively focusing on access issues along the Embarcadero for truck and pedestrian traffic. Two alternate plans were presented: 1) the linear park scheme, and 2) the grand boulevard scheme, and Ms. Divine spoke to the distinctive characteristics of each, and explained that there are dimensional constraints which tend to drive a decision between the two approaches.

At the conclusion of the Ms. Divine's status report, Dr. Rossi gave a brief summary of issues facing the Port relevant to retention, partial retention, or abandonment of the Belt Line railroad, and the issue of whether the Belt Line could operate in a non-exclusive right-of-way (sharing with auto traffic). The Commission asked staff to come back to them at the next Commission meeting with some recommendations on these matters.

MARITIME

The next matter for Commission consideration was a request to increase the contract amount for legal services by \$86,000 and to assign this contract to a newly formed law firm - Nemirow, Hu, Kurt & Tankersley. Mr. Stone briefly explained the circumstances of the changeover and asked the Commission's approval for this fiscal year only, and thereafter developing specifications and placing the contract up for bid.

President Halsted concurred and suggested that the contract be awarded for a six-months period only thereby advancing the time in which to accomplish a changeover from exclusivity and opening up an opportunity for competition.

ACTION: Moved, seconded, carried.

ENGINEERING

Commission was asked to approve the selection of the firm of Geo Resources Consultants, Inc/The Mark Group as Port consultant to develop a solid waste disposal site closure plan for Piers 70, 94 and 98 and for design the gas collection system at Pier 70.

ACTION: Moved, seconded, carried.

In conjunction with this selection process, Captain Osborne asked the Commission to particularly recognize and commend the efforts of the following individuals for their participation in this process.

The names of non-Port persons are as follows:

Joseph E. Johnson
Scott J. Nakamura
Neil Werner.

These people are hereby publicly recognized for their assistance.

7c) Captain Osborne asked the Commission to approve a resolution recommending to the Board of Supervisors that the Minority, Women, Local Business Enterprises (MBE/WBE/LBE) Program be extended for three years. Dr. Coleman asked City Attorney to advise the Commission if this would be construed as lobbying for legislation, and she advised that this was not. Therefore the Commission took the following action.

ACTION: Resolution No. 88-81 moved, seconded, carried.

Discussion followed as to the appropriateness of this request since participation by all departments is mandated by the Board of Supervisors. Ms. Jones, of HRC, questioned the need for this action. After further discussion, President Halsted stated that she felt it was entirely appropriate as a policy statement, and in fact deemed it to be a measure of support for the staff to carry forward to the Board.

There being no further business before the Commission, the meeting was adjourned at 12:15 p.m. following an expression of appreciation by President Halsted and staff to Commissioner Chang for his service as a member of the Port Commission.

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SAN FRANCISCO PORT COMMISSION

Wednesday, July 27, 1988

M I N U T E S

The Port Commission met in regular session at 8:30 a.m. in the Commission Room, Suite 3100 Ferry Building.

PRESENT: President Anne Halsted
Vice President James R. Herman
Dr. Arthur H. Coleman, Commissioner
James J. Rudden, Commissioner
James M. Bouskos, Commissioner

ABSENT: None

The minutes of the meeting of July 13, 1988 were approved with one correction, Commissioner James Herman should be listed as the vice president, in lieu of Commissioner James Rudden.

President Halsted welcomed the new Commissioner, James Bouskos, to the ranks of the Port Commission, and also extended birthday good wishes to the Port Director, Vello Kiisk.

The first order of business was an executive session for discussion of three matters of pending litigation; CCSF v. Continental Development Corporation, CCSF v. Tellis, settlement of Drake v. CCSF, and availability of PERS benefits to Port employees. City Attorney indicated that these matters are specifically authorized under California Government Code Section 54956.9, subdiv. (a), and (b).

The Port Commission adjourned to executive session at 8:45 a.m. and reconvened in regular session at 10:30 a.m. Deputy City Attorney announced no action was taken by the Commission in any of the aforementioned matters, with the exception of approving settlement in the Drake v. CCSF, San Francisco Superior Court No. 883-626.

EXECUTIVE DIRECTOR'S REPORT

President Halsted announced the Commission would defer Items 4d and 5a for discussion until the next regularly scheduled meeting.

Mr. Kiisk reported to the Commission on matters concerning Piers 24-26 proposed development, AAPA, and State Lands Commission rulings. On 24/26, Mr. Kiisk reported staff's research in this matter has not revealed any legal reason to compel competitive bidding on this project, and he has advised the Mayor of this finding. Discussion followed by the Commission which indicated it is their preference to require any project to be bid competitively, even though it may not be the legal requirement. Commissioner Herman stated that this is the official Commission policy and should remain so. City Attorney agreed that some distinction has been made for maritime purposes, but stated that this is official Commission policy to favor competitive bidding.

In the matter of State Lands Commission, the director said he was awaiting a response to an inquiry regarding the athletic club proposed at SWL 321, which should be forthcoming within the next week. Mr. Kiisk reported that response to AAPA convention solicitation has been very good financially, in accordance with a report given to him by Ms. Cincotta, and that concerns expressed by Human Rights Commission regarding vendor selection are being addressed.

FINANCE & PROPERTY

Mr. Conrad next discussed two reports for the months of May and June on refunds and allowances, and asked for approval in the amount of \$388,981. The Commission so approved.

Ms. Schimke asked for approval of two routine licenses for space located at Pier 70 and SWL 337, following a brief explanation about the Clothing Bank, which is a charitable organization.

Mr. Will Harris, of H & H Ship Service, addressed the Commission with a request for a reduction in rental rate based on his firm's intention to construct new fencing. Following discussion, it was the decision of the Commission to accept staff's recommended rate.

The next matter presented to the Commission was a lease for SWL 352 area to Tidewater Sand and Gravel, Inc. on which this firm intends to construct a new conveyor system in order to comply with BCDC requirements. The terms of the proposed lease were discussed, and President Halsted asked for public comment.

Mr. Steve Englert, representing King Broadcasting (KSFO radio/tv) stated his client wished to object to the proposed lease on the basis that the installation of a conveyor system could present some serious hazards to workers in the area. Staff stated that discussions have taken place between Tidelands and KSFO regarding this matter, and that these concerns are being addressed. KSFO's representative stressed his concern that a potential hazard was being created by granting this lease, although staff said that Tidewater is willing to accept the situation and will hold the Port harmless from liability.

Commissioner Herman expressed some concern in permitting such a potential for risk, and suggested deferring this matter until more information is provided. His concern is to protect the workers in the area.

Mr. Kiisk suggested the Port needs to re-examine KSFO's lease in conjunction with this matter to determine if an awareness existed on the part of the broadcasting company that it could adversely impact surrounding leaseholds. The comparatively small parcel leased by KSFO may effectively be hampering the Port from leasing contiguous properties. Commissioner Halsted agreed that since this is an industrial area, if risks do exist, then they should have been aware of this. City Attorney Clay agreed that there is nothing in KSFO's lease giving them the right to control other leasehold properties.

This matter was postponed for further investigation by Commission action.

ENGINEERING & MAINTENANCE

Captain Osborne, Director of Engineering, requested Commission's authority to order the execution of contract no. 2553 for drilling of monitoring wells at Piers 70, 94, and 98. Discussion followed regarding the lack of bids received from qualified firms. Staff asked for permission to solicit quotations from well drilling firms in order to proceed expeditiously with this contract.

ACTION: Moved, seconded, carried.

Commission was next asked to approve the appropriation of 1971 Harbor Bond funds and 5th Seawall Bond funds for Pier 96 improvement. This improvement encompasses raising the cranes to extend and modify the two existing Starporter Container cranes at 96. The cost of this work is approximately \$2,000,000 and the supplemental appropriation totals \$1,950,598.

ACTION: Moved, seconded, carried.

Mr. Phil Kern, project manager for Pier 45 proposed development, presented the next item which was a request to approve a market study of fishing industry use at Pier 45, to be undertaken by Carol M. Brown, in coordination with Moffatt & Nichol, the current consultant.

ACTION: Moved, seconded, carried.

LEGAL

Sue Hestor, attorney for France Foods and Frank Martel Insurance, requested the Commission to defer any action in the Tellis license matter, until such time as her clients may address the Commission in their own behalf. Mr. Spolter, representing Maskel Marine, the prime tenant at this location, acknowledged that he and Ms. Hestor are conferring in the hopes of resolving the situation. Barring this eventuality, President Halsted assured Ms. Hestor of the opportunity to address the Commission in this matter.

NEW BUSINESS

Commissioner Coleman addressed the Director of Finance and inquired if it was a true statement that in regard to payment of compensatory time, an employee with a "Z" exempt classification, would not receive an increased amount of money in his paycheck. Staff concurred that this was a true statement of the facts.

There being no further business, President Halsted called for a motion to adjourn the meeting at 11:30 a.m. The next meeting of the Commission will be called at 9:00 a.m. Wednesday, August 10, 1988, and will focus on the Embarcadero Parkway development project.

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SAN FRANCISCO PORT COMMISSION

Wednesday, August 10, 1988

M I N U T E S

OCT 14 1988

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The Port Commission convened in regular session at 10:05 a.m. in the Commission Room, 3100 Ferry Building.

PRESENT: President Anne Halsted
James J. Rudden, Member
James M. Bouskos, Member

ABSENT: Vice President James R. Herman
Dr. Arthur H. Coleman, Member

The minutes of the meeting of July 27, 1988 were approved by motion of Commissioner Rudden, seconded by Commissioner Bouskos.

As the first order of business, President Halsted presented an award of recognition to three Business Service employees for excellence of performance. Mr. William Fite, Mr. Robert Brown, and Mr. Mauricio Rodriguez accepted the award, thanking the Port Director and the Commission for its acknowledgement.

Under the Executive Director's Report, Mr. Kiisk next presented Ms. Stephanie Cincotta who gave a brief progress report on the American Association of Port Authorities convention which is slated for September 11-14, and submitted an updated financial statement covering anticipated revenues and expenditures for this event. Ms. Cincotta stated she felt very confident the convention would be very successful, and opined that the Port would have no difficulties meeting all of its obligations.

Mr. Kiisk introduced new staff members, Mr. Rick Wiederhorn, Planning manager, and Mr. Bob Nuell, Development manager, and the Commission extended its welcome.

Mr. Kiisk reported to the Commission that the Denver-Rio Grande merger was recently upheld in the courts, a ruling which should be of great benefit to the Port, as well as the Bay area.

PROPERTY & FINANCE

Mr. Conrad asked the Commission to review the revenues & expenditures report submitted to them, and indicated that the Port will show a \$2.5 to \$2.7 million surplus for the year ending June 1988.

Under licenses and leases, Ms. Schimke presented five licenses, giving a brief summary on each, and noted that representatives for the Capp St. Project were present for questioning. President Halsted remarked that she was particularly pleased to have this project underway, and looked forward to the installation of this artistic endeavor.

The next matter presented to the Commission was approval of a lease for Service Engineering Company of Pier 36-38 for operation of a ship repair facility. Ms. Schimke explained that this is a long-term tenant of the Port, in business since 1955, and occupied premises at Piers 38 and 40 previously, under a month-to-month license. Under an agreement with Redevelopment Agency, the Port must deliver Pier 40 to the Agency free and clear of its ship repair tenant. In order to satisfy both obligations, the Commission is asked to approve a lease to Service Engineering, and confirm that SFRA will complete construction, at its sole cost and expense, and/or repairs to Pier 36 to allow use of the concrete portion, under Resolution No. 88-91.

ACTION: Moved, seconded, carried to approve
Resolution No. 88-90.

Moved, seconded, carried to approve
Resolution No. 88-91.

President Halsted asked to defer Items 4(e), (f), and 5(a) for discussion at the next Commission meeting. There being no objection from the public, these items were postponed.

MARITIME

Mr. Stone next presented a request for approval of a lease with Parker Warehouse for Piers 15/17 for use as an export cotton warehouse. Discussion followed on the length of the option, as well as a provision for relocation. The Commission took the following action.

ACTION: Resolution No. 88-93 was passed
pending inclusion of acceptable language
in the relocation clause.

ENGINEERING & MAINTENANCE

Commission was asked to approve the award of contract no. 2557 to the second lowest bidder, the firm of Eureka Laboratories at a contract cost of \$94,500. It was explained that the low bidder's bid documents were not in compliance, which necessitated going to the next bidder.

ACTION: Moved, seconded, carried by
motion of Commissioner Bouskos,
seconded by Commissioner Rudden.

The Commission meeting scheduled for August 24, 1988 will not be held. The Commission will convene on Wednesday, September 7, at 10 o'clock a.m.

There being no further business, the Commission adjourned at 10:55 a.m.

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PORT OF SAN FRANCISCO
CITY AND COUNTY OF SAN FRANCISCO
SUITE 3100, FERRY BUILDING
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OCT 14 1988

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M I N U T E S

The regular meeting of the Port Commission of San Francisco was called to order by President Halsted at 10 o'clock a.m., Wednesday September 28, 1988.

PRESENT: Anne Halsted, President
James R. Herman, Vice President
James J. Rudden, Member
Dr. Arthur H. Coleman, Member
James M. Bouskos, Member

ABSENT: None

The minutes of the meeting of September 7, 1988 were approved by unanimous vote.

In a brief ceremony, Commissioner James J. Rudden was presented with a world globe in recognition of 27 years of service to the Port of San Francisco. Staff and fellow Commissioners offered best wishes to Commissioner Rudden on his retirement from the Port. Commissioner Rudden was appointed by Governor "Pat" Brown, and served under four mayors, as a member and President of the Commission.

Mr. Kiisk reported on the success of the AAPA convention, and thanked Commissioner Herman for his rousing keynote address. The Commission was advised of the Sister Port ceremony for the Port of Abidjan, Cote d'Ivoire which will be held on Friday, September 30, at which both ports will exchange formal greetings.

Mr. Kiisk stated that the Economic Impact Study prepared by Trade Information Planning Systems is being released for distribution, although he expressed some reluctance in doing so because he believed it to be somewhat premature in its conclusions, and was never intended to be a comprehensive study. Commissioner Bouskos expressed similar objections to the use of the study since, in his opinion, "it was inaccurate, untimely, and misleading."

President Halsted acknowledged the efforts of Port staff members in making the AAPA convention a success.

PROPERTY & FINANCE

Mr. Conrad presented four financial reports for Commission review: Sales and rent report, status of accounts receivables, refunds and allowances, and a statement of revenues and expenditures.

Commission approved refunds and allowances in the amount of \$252,710. Discussion followed regarding the impact on the Port's revenue in the Fisherman's Wharf area due to the loss of Commodore Helicopters operations.

Further discussion followed on the status and disposition of American Navigation Lines which will be written off on the recommendation of legal counsel, as having no assets to satisfy a judgment.

Ms Schimke presented three licenses for review and approval by the Commission. Commissioner Bouskos asked for an explanation for one license and this was provided by Mr. Stone since this was a maritime license.

The next matter presented for Commission review was a sublease of a portion of the Pier 27 to Highlight Productions Inc. Ms Schimke explained the terms of the sublease and Commissioner Bouskos made a motion to refuse approval of the sublease until the proposed sublessee submits a new proposal at a higher rate. Discussion followed and Commissioner Coleman asked to defer the matter pending City Attorney's opinion on language of the master lease which Commissioner Bouskos felt gave the Commission arbitrary right to decline any sublease for any reason. Deputy City Attorney Pizza assured the Commission he would present an opinion at the next meeting as to the requirements for subleasing. Commission therefore agreed to defer action until the next meeting on this matter. Commissioner Bouskos directed the Property Department to notify the Commission in the future of any attempts of subleasing at the time the lease information is provided.

The next matter was reconsideration of a lease awarded to San Francisco International Yachting Center Development Group, Inc., for Piers 24-26. Commissioner Bouskos asked to defer this matter in response to a request from Bob Scott, the proposed developer of this project. The Commission agreed and the matter was deferred until the first meeting of October.

MARITIME

Mr. Stone presented a request of the Commission to approve the establishment of a Sister Port relationship with the Port of Abidjan Cote d'Ivoire and San Francisco. The establishment of this Sister Port relationship will help to develop expanded commercial activities and cargo for both ports.

ACTION: Moved by Commissioner Coleman,
seconded by Commissioner Herman, carried.

Commission was requested to extend the term of the present agreement with China Ocean Shipping Company to December 31, 1988, in order to allow time to negotiate a new Terminal Revenue Sharing Agreement with COSCO. This extension amendment allows the present agreement to remain in full force and effect until the new agreement can be finalized.

ACTION: Moved by Commissioner Bouskos,
seconded by Commissioner Herman, carried.

PLANNING, ENGINEERING & MAINTENANCE

Commission was presented with a request to accept and expend grant funds from the FAA and those contributed by the Chamber of Commerce, as matching Port funds, for the purpose of studying the feasibility and impacts of developing a heliport in San Francisco.

President Halsted indicated two members of the public would speak on this matter.

Dr. Francis Clauss, Potrero Hill Residents, and Edward Van Egri, expressed concern on the impact of a heliport and urged a reconstitution of a citizens' advisory committee to ensure full participation by the community and interested groups in any decision on a heliport.

Commissioner Herman opined the need to open up the entire matter of helicopter operation, referring to the recent displacement of Commodore Helicopters, a long time, legitimate business which garnered the Port a million dollars in revenue, and suggested finding ways to more equitably right this wrong. Commissioner Herman urged full and open discussion of this issue, suggesting that the study could embrace a means or providing a legitimate way to re-establish such a use.

Mr. John Kerby-Miller also spoke, agreeing with Mr. Van Egri, and added that the issue needs study as well as broad representation to get as much insight as possible.

President Halsted asked for action on the resolution before the Commission.

ACTION: Moved, seconded, carried.

Item 6(e) - deferred by request of staff.

President Halsted moved the agenda to Item 6(f) and Dean Macris, Executive Director, City Planning Department, addressed the Commission on the matter of Mission Bay Project. He outlined the three aspects of the program - one, is the master plan itself; the economic impact report (EIR) being the second; and the third, the negotiations with Santa Fe Pacific Realty for an exchange of Port property in the Pier 48-50 area. Mr. Macris opined this to be a key linchpin to the success of the Mission Bay project. "The Commission," said Macris, "is in the center of this activity, and your decision as to the use of land is critical to the City's future." November has been targeted as a time frame for a tentative Development Agreement between the City and Santa Fe Pacific. Mr. Macris indicated that the chief negotiations of this contract, the Chief Administrative Officer, and he, representing the Mayor's office and representatives of the Santa Fe Pacific, have been attempting over the past months to narrow any differences in the objectives of the sponsors of this program and the City. Mr. Macris indicated some guidance from the Port Commission on decisions within these negotiations was needed and he was here today seeking some direction from the Commission.

Mr. Alec Bash, Project Director for Mission Bay, next addressed the Commission with more specific details of the proposed exchange of land.

At the conclusion of Mr. Bash's presentation, Mr. Macris stated it was his intention to discuss land values, and specific pieces of property. The City Attorney advised this should be done in executive session.

Mr. Jack Pizza, Deputy City Attorney, indicated the closed session is held pursuant to Government Code Section 54596.8 for discussion of negotiations of real property. The property to be discussed are parcels located east of Third Street, and bounded by China Basin channel on the north, and Mariposa Street on the south, as well as parcels of property east of Illinois Street, bounded by the PG&E power plant on the north, and Pier 80 on the south. The purpose of the session being to instruct the City's negotiators regarding the terms of any sale, exchange, or lease of these properties.

The President asked that the public clear the room, and the Commission adjourned to executive session at 11:10 a.m.

At the conclusion of the closed session, the Commission reconvened in public session at 12 noon.

Captain Osborne submitted a request to the Commission to reject all bids which had been received on Contract 2537, Pier 7, on a Recreation and Public Access Project. By way of explanation, Captain Osborne said one necessity for rejecting bids was the inability of the Port to secure additional funds to award the contract. Concurrently, the Commission was requested to authorize staff to submit a supplemental appropriation for additional funds with which to readvertise under a revised funding strategy.

ACTION: Moved, seconded, carried.

Fisheries Consultant Carol Brown gave an informational report on the feasibility and market study of fishing industry use of the east side of Pier 45 which was done at the direction of the Commission. The consultants, led by Ms Brown and including Williams-Kuebelbeck & Assocs., Moffatt & Nichol, Kwan Henmi, and AGS, Inc. summary of the study and findings was presented to the Commission (and is made a part of the proceedings by attachment hereto).

A plan for industry use of the east side of Pier 45 has been found to be marketable, financially feasible by itself, and, also, could help fund the industry rehabilitation plan for the west side of the pier.

Several follow-up steps need to be taken to resolve the east side use and further define the west side improvements. In particular, one finding was that structural upgrading costs for Pier 45 must be carefully reviewed before final design and project financing and phasing plans can be defined.

The Commission took no action on the plan, but acknowledged the fine work being done by staff and consultants. Discussion ensued on the cost factors involved in such an undertaking. Ms Brown indicated that the total fishing industry development cost is about \$22.8 million with supportable debt based on revenues estimated at about \$15.2 million of the investment.

Commissioner Bouskos expressed his feeling that \$22.8 million did not sound that bad for the whole package of "east, west, and the harbor - 88 berths, harbormaster's office, one acre pier, and a new fuel dock." Ms Brown opined that the revenues are not there to support this figure, based on what is prevailing in the industry. For this reason, the consultants have recommended further study of seismic costs in order to bring back a budget that is more affordable.

Possible sources of funding for this project include a grant from Coastal Conservancy, National Marine Fisheries Institute, or one of the conomic development assistance programs through the City. Ideally, it will be a joint venture between the Port, the industry, and the developers.

Mr. Kern, the Project Director, informed the Commission that although no action was sought from them today, staff would be back before them within the next month for Commission action.

NEW BUSINESS:

Ms Phyllis Patterson, representing Living History, presented a request for special reduced rental rate for space at Pier 45 for a production of the Dicken's Christmas Fair during the months of November, December. Following her recitation, staff was asked to provide the Commission with a complete account of this matter, and to calendar this issue for the next Commission meeting in October.

There being no further business, the meeting was adjourned at 12:45 p.m.

PORT OF SAN FRANCISCO
CITY AND COUNTY OF SAN FRANCISCO
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OCT 28 1988

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M I N U T E S

The regular meeting of the Port Commission of San Francisco was called to order by President Halsted at 10 o'clock a.m., Tuesday, October 11, 1988.

PRESENT: Anne Halsted, President
Dr. Arthur Coleman, Member
James M. Bouskos, Member

ABSENT: James R. Herman, Vice President

The minutes of the meeting of September 28, 198 were approved with one correction. Dr. Coleman requested the following addition:

Page 4, third paragraph, "Deputy City Attorney announced no action was taken by the Port Commission while in closed session."

With this correction, the Commission approved the minutes.

ACTING EXECUTIVE DIRECTOR'S REPORT

Mr. Kiisk announced the beginning of Fleet Week on Friday, with the arrival of the Blue Angels and the Navy ships which will berth at Piers 30-32, and invited the Commission's participation at the Fleet Week race which has become an annual Port event.

Commission was presented with a diagram of the areas Piers 26 through 30-32 which Mr. Kiisk described as a focused strategic approach. Staff will be concentrating on this area and will develop a plan for these piers which will be presented to the Commission in the next six weeks.

Mr. Kiisk asked that Ms. Cincotta present a financial report to the Commission on the 1988 AAPA convention, and Commissioner Bouskos thanked her for an excellent effort.

PROPERTY & FINANCE

Mr. Conrad presented the revenue and expenditures summary for the period ending June 30, 1988 for the Commission's information, which is a cash report issued monthly and is tied to the City's FAMIS system. Mr. Conrad estimated that our cash surplus for this year will be approximately 2.3, 2.4 million. Discussion followed regarding the fact that at one time the Port's cash surplus had dropped to below \$200,000 with the profit statement down to \$17,000 in the late '70's, early 1980's. Dr. Coleman commented that the maritime activities of the Port have not only generated healthy revenues but also show a surplus. Mr. Conrad opined that our Port is one of the few self-sustaining business ports, not receiving tax funds, nor having taxing authority.

Ms. Schimke next requested Commission approval of four licenses located in the Ferry Building, World Trade Center, SWL 344, and Pier 80 administration building.

ACTION: Moved, seconded, carried.

Commission was next asked to address the matter of a sublease for a portion of the Pier 27 Administration Building by Flying Dutchman Park, Inc. to Highlight Productions. This matter had been deferred at the previous meeting, pending an opinion of the City Attorney on the Port Commission's right to withhold approval of a sublease. Having resolved this matter, and affirming that the Commission can withhold its approval, the Commission took the following action.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Bouskos, to approve the award of a sublease to Highlight Prod.

Mr. Conrad stated that on December 9, 1987 a lease was awarded to San Francisco International Yachting Center Development Group for a proposed development of Piers 24-26 as an international yachting facility. Commissioner Bouskos has requested that this matter be given reconsideration by the Port Commission at this time.

Commissioner Coleman moved to reconsider this matter, and was seconded by Commissioner Bouskos. The matter was then open for discussion. President Halsted said it is the Commission's intention to issue an RFP, or an RFQ for an international yachting center which would include receiving a bid from the current proposed developer. Staff inquired if this is to be a request for qualifications or a bid in response to bids. Commissioner Bouskos stated it would be a thirty day inquiry, and a thirty day firm bid. It would also be subject to performance bonding, guaranteeing that the major function would be a major yachting center, and a reduction from two years on the development lease to one year.

Deputy City Attorney Pizza advised that the Commission first vote on the initial matter which is consideration of the lease. President Halsted asked for a motion from the Commission on approval of the lease.

ACTION: Commissioner Coleman moved to reject the lease with San Francisco International Yachting Center Development Group, Commission Bouskos seconded, and the motion carried with a third affirmative vote by President Halsted.

Commissioner Bouskos directed staff to prepare a request for proposal which would include a performance bond, and would stipulate clearly that the major function of this development would be a yachting center. The Commissioner recommended the bid be thirty days, with the close of bidding within thirty days, and the development agreement be for one year, with the possibility for a six-month extension.

Staff indicated that they would be back to the Commission on this matter at the November meeting.

The next matter was a request by the Living History Centre for use of Pier 45 at a special reduced rate for a production of the Dickens' Christmas Fair. Ms. Phyllis Patterson, executive director for the Centre, explained the circumstances which compelled her to come before the Commission with this request for a rate reduction. The Commission also heard from Howard Hamburg in behalf of Living History Centre. At the conclusion of their statement, the Commission affirmed staff's offer of a community rate and declined to offer any further rate reduction.

ACTION: Moved by Commissioner Bouskos,
seconded by Commissioner Coleman, carried.

Approval of a lease with Tidewater Sand & Gravel for SWL 352 is a matter which was before the Commission on July 27, and was deferred pending further investigation of a possible hazardous situation involving KSFO, a lessee on adjoining property. All parties have participated in discussion of the potential implications and are aware of the concerns of the Commission. President Halsted, speaking for Commissioner Herman, asked that the conveyor belt operation conform to the N.E.C. 1987 Code Specifications for conveyor belt operation. Mr. Jim Peterson, representing Tidewater, stated that KSFO's chief engineer has offer any assistance necessary to prevent any potential interference from their transmitter. At the suggestion of Commissioner Herman, a specific clause requiring conformity to the N.E.C. 1987 Code will be included in the lease documents.

ACTION: It was therefore moved by Commissioner Coleman,
seconded by Commissioner Bouskos, carried.

Discussion ensued on the placement and seating arrangements for the Commission, public, and staff in order to obtain better visibility and acoustics. Suggestions were made to eliminate the staff table, and reserve the front row of the audience section for staff. It was agreed to set the room up in this fashion with a podium to the left or right of the Commission table for the next Commission meeting.

PLANNING, ENGINEERING, MAINTENANCE

Under this category, Commission was requested to approve the award of an emergency contract for sewer repair in the SWL 275 for the Ferry Building. There were two bidders on this contract, and the low bidder was E. Mitchell, at a cost of \$60,500.

ACTION: Moved, seconded, carried.

There being no further business, President entertained a motion to adjourn. Motion carried, and the meeting was adjourned at 11:00 a.m.

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PORT OF SAN FRANCISCO
CITY AND COUNTY OF SAN FRANCISCO
FERRY BUILDING SUITE 3100
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M I N U T E S

The regular meeting of the San Francisco Port Commission was called to order by President Halsted at 10 o'clock a.m. Wednesday, October 26, 1988.

Those present were as follows:

PRESENT: Anne Halsted, President
Dr. Arthur H. Coleman, Member
James M. Bouskos, Member

ABSENT: James R. Herman, Vice President

Also present were Vello Kiisk, Acting Executive Director, Jack Conrad, Captain Osborne, Ron Stone, and other senior staff members.

APPROVAL OF MINUTES

The minutes of the meeting of October 11, 1988 were approved with one correction. Dr. Coleman suggested his comment in the last paragraph of the first page under Property & Finance should read as follows:

"the maritime activities of the Port have not only generated healthy revenues but the Port also shows a surplus".

With this correction, it was moved by Commissioner Coleman, seconded by Commissioner Bouskos, carried.

ACTING EXECUTIVE DIRECTOR'S REPORT

Mr. Kiisk announced the acquisition by Denver/Rio Grande of Southern Pacific Railroad which opens the way for the Port to begin the process for modifying the two tunnels which have prevented us from operating double-stack railroad cars. Meetings have been held with the Chairman of Evergreen, as well as with Southern Pacific and Denver/Rio Grande representatives to work out a memorandum of understanding, and get the design phase underway. A preliminary estimate by Southern Pacific indicates this project will require an expenditure of \$5.2 million. The Commission will be kept posted on all developments of these negotiations.

Mr. Kiisk requested the Commission defer Item 6(b) until the next meeting in November.

President Halsted shared a letter from the Gandhi Foundation with staff and her fellow commissioners, which thanked the Port staff, particularly Dr. Randy Rossi, Dorothy Schimke, and Patricia Wilson, for their efforts in bringing the Gandhi statue to San Francisco. President Halsted said it was a very complimentary letter and expressed her appreciation to these individuals for their assistance.

PROPERTY & FINANCE

Mr. Conrad presented three financial reports to the Commission, and requested approval of refunds and allowances in the amount of \$192,000.

ACTION: Moved, seconded, carried.

Mr. Conrad requested the Commission to defer Item 4(c) and withdrew license nos. 11382, and 11417 in order to finalize some of the language. Commission was asked to approve three licenses as delineated in the memorandum.

ACTION: Moved, seconded, carried.

The next matter discussed was a request for supplemental appropriation of \$200,000 to fund the development of the strategic plan for the Port. These monies would be utilized to provide the necessary expertise in all the areas of the development, such as marketing, economics, graphics, printing, and marine terminal operations.

President Halsted expressed her full endorsement and urged moving ahead with this proposal.

ACTION: Moved, seconded, carried.

Discussion reopened on the possible reasons for the Board of Supervisors' denial of this appropriation, when the Port originally requested it at the Finance Committee. Consensus was that there was a misconception concerning the two new positions of development and planning manager being for the express purpose of developing this strategic plan thereby negating any further need for outside assistance. Mr. Kiisk has been able to rectify this misunderstanding.

Commission was next asked to approve Pier 39's Ground Lease Estoppel Certificates, notice of which was given to the Port in a letter dated September 23, 1988 from Pier 39 Limited Partnership. Pier 39 seeks to increase an existing loan and First Deed of Trust held by Teachers Insurance Annuity Association to \$66,000,000, and execute a second mortgage of \$20,000,000 to State of Connecticut Trust Funds.

ACTION: Moved, seconded, carried.

MARITIME

Mr. Stone briefed the Commission on the proposed increase of tariff rates for wharfage, dockage and crane rental which is being considered. Staff assessment has concluded that such increases in the Port's tariff would be beneficial and would neither increase or eliminate any significant competitive advantage for the Port. But prior to any recommendation on these increases, staff will inform our customers and others in the industry of our intentions. Staff will then come back to the Commission for action at its first meeting in November.

The next matter before the Commission was a request to approve a Third Amendment to the Terminal Revenue Sharing Agreement with Evergreen Marine Corp. and to authorize the Director to make any necessary language refinements without making substantive changes, and file the agreement with the Federal Maritime Commission.

ACTION: Moved, seconded, carried.

PLANNING, ENGINEERING, MAINTENANCE

Captain Osborne submitted a request for approval of the award of Contract 2558, for maintenance dredging to the low bidder, Smith-Rice Company at a total contract cost of \$928,599. Commission was alerted to certain new restrictions on dredging by Regional Water Quality Control Board, one of which prohibits dredging during the months of November and December, which is the herring season.

ACTION: Moved, seconded, carried.

Discussion followed on comparable square foot rates paid by Port of Oakland and Stockton, as well as the prohibition for dumping in the Delta.

NEW BUSINESS

Commissioner Coleman asked for a progress report in the matter of the Hyundai crane options. Deputy City Attorney Clay suggested the Commission convene in executive session since this matter is under dispute by several parties.

The Commission convened in executive session for discussion of the matter of the option for two Hyundai Cranes, pursuant to California Government Code Section 54956.9(c) at 10:35 a.m.

The Commission reconvened in regular session at 10:55 a.m. City Attorney announced the Commission took no action in the matter of the Hyundai Crane options.

There being no further business, the Commission adjourned at 11 a.m.

JAN 12 1989

PORT OF SAN FRANCISCO
CITY AND COUNTY OF SAN FRANCISCO
FERRY BUILDING, SUITE 3100
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SAN FRANCISCO
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The San Francisco Port Commission met in regular session on Wednesday, November 9, 1988, in the Commission Room of the Ferry Building, Suite 3100. President Halsted welcomed Commissioner Wong to his first meeting of the Port Commission.

PRESENT: President Anne Halsted
Vice President James R. Herman
Commissioner James Bouskos
Commissioner Arthur Coleman, M.D.
Commissioner Douglas Wong

ABSENT: NONE

APPROVAL OF MINUTES

The minutes of the meeting of October 26, 1988 were approved by motion of Commissioner Coleman, seconded by Commissioner Wong, and carried.

ACTING EXECUTIVE DIRECTOR'S REPORT

Mr. Kiisk also extended staff's welcome to the new Commissioner, assuring him of their cooperation. He then announced the final meeting of the Cruise Ship Task Force to take place this afternoon. A final report with the task force recommendations will be submitted to the Commission at the Commission meeting in December. Staff continues to meet with Southern Pacific in the matter of the tunnels, and development of an MOU is progressing.

Mr. Kiisk reported that four Port employees will receive awards from the Mayor this year under the Employee Recognition Program:

Ms. Virna Wu, Property Department
Mr. Chuck Bevan, Property Department
Mr. Bill Fite, Business Services
Ms. Renee Jones, Collections .

The Commission extended its congratulations to all the participants for their dedication and devotion.

Under Engineering, Mr. Kiisk asked to defer Item 6a - the award of Contract 2556 - until the next meeting. This item was postponed.

Commissioner Coleman queried Deputy City Attorney regarding the number of Commissioners who could attend the Cruise Ship task force meeting, and was assured that there was no prohibition in the Brown Act for a majority of a board or commission to gather in the same room. The only prohibition is to gather and discuss the business their Commission conducts and to make any decisions. Dr. Coleman asked if the matter of \$5.2 million was discussed in the meetings with Southern Pacific on the tunnels; he was assured that SP will be appropriating \$200,000 for the design phase.

PROPERTY & FINANCE

The Commission approved Non Civil Service and Temporary Civil Service appointments and removals for the month of October.

ACTION: Moved by Commissioner Herman, seconded by Commission Coleman, carried.

Mr. Conrad presented the Commission with the revenue and expenditure statement for the period ending September 30, 1988 for their information.

Commission approved licenses nos. 11419-11420 for space located in the Ferry Building and at Pier 3 by a motion of Commissioner Coleman, seconded by Commissioner Herman, carried.

A sublease for 2,230 s.f. of office space and 784 s.f. of common area with You and Leisure Tours and Travel, Inc. was considered by the Commission. This space is located in the Pier 27 Administration Building currently leased to Flying Dutchman Park, Inc. Commissioner Wong asked if Port leases include any provision against a new tenant subletting at a profit for a determined period of time, such as within the first six months of a lease. At this time, there is no such prohibition in our agreements but staff indicated such a condition could be included henceforth, if the Commission so determined.

Commissioner Herman inquired if the Port has a declared policy on subleasing, and Mr. Conrad replied that his understanding is that should a tenant in possession indicate a desire to sublet, the Port retains the right to participate in any profit from a sublease. President Halsted stated that in recent years the Port Commission has also required all leases and subleases be approved by Commission action, and does have more ability to reject than it did before because of a stated policy restricting subleasing.

Commissioner Wong asked if the Port's share in subleasing is restricted only to the monthly rental. Mr. Conrad said there was no restriction on the Port's participation, that the Port would share fifty-fifty in any profit from a sublease. The President called for a vote.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Coleman, carried.

The Commission reviewed a request by Sumitomo Bank for a letter of agreement from the Port regarding the bank's loan to HHC Investments for Francisco Bay Office Park. Although the Port is not obliged to provide such a letter, and the City Attorney believes the bank is adequately protected under the lease, since the issue is primarily an administrative one, the Commission took the following action. After ascertaining assent from a Meridien Pacific (HHC) representative that the Port's administrative costs can be compensated, the Commission took the following action.

ACTION: Moved approval to sign a letter of agreement to Sumitomo Bank regarding certain protections re any default by HHC Investment, Ltd. for Francisco Bay

ACTION: Moved by Commissioner Wong, seconded
by Commissioner Herman, carried.

MARITIME

The Commission next considered the recommendation by staff to increase tariff charges for wharfage and dockage by 5% and crane rental charges by 10%. Such increases would be effective January 1, 1989. The Commission was advised that Port steamship lines and the California Association of Port Authorities have been advised of an impending increase. After a brief discussion, Commission approved the increase in tariff rates and directed staff to implement these changes.

ACTION: Moved by Commissioner Herman, seconded
by Commissioner Wong, carried.

There being no further business, the Commission moved for adjournment at 10:30 a.m.

Respectfully submitted,

Commission Secretary

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PORT OF SAN FRANCISCO
CITY AND COUNTY OF SAN FRANCISCO
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M I N U T E S

The San Francisco Port Commission met in regular session in Suite 3100 Ferry Building on Wednesday, December 14, 1988 at 10 o'clock a.m.

PRESENT: Anne Halsted, President
Commissioner James Bouskos
Commissioner Arthur Coleman, M.D.
Commissioner Douglas Wong

ABSENT: Commissioner James R. Herman

APPROVAL OF MINUTES

The Commission approved the minutes of the meeting of November 9, 1988 by unanimous vote. The schedule of meeting dates for 1989 for the Commission was formally presented and approved. As the next order of business, the Commission placed the name of Michael Huerta in formal nomination for Executive Director of the Port of San Francisco. Mr. Huerta was introduced by the Mayor at a press conference earlier in the week. He will start with the Port in January after completing his work at the New York City Department of Ports, International Trade and Commerce.

President Halsted thanked the outgoing director Mr. Kiisk for his year of service as interim director, and expressed the appreciation of all the Commission as well as staff members for keeping the Port "steady and on course" during this period.

ACTING EXECUTIVE DIRECTOR'S REPORT

Mr. Kiisk accepted the Commission's thanks and reported on the status of the budget as being ready for presentation at the first meeting in January. He next reported that an advisory committee for the strategic planning project is being formulated which will have representation from industries relating to Port development, operations and management. The group of individuals who have been asked to serve on this committee should present a vital, aware and critical expertise which will benefit the Port's future.

Mr. Kiisk requested Commission approval to schedule a special meeting on Tuesday, December 27 at 10:30 a.m. for consideration of issuing a request for proposal for Piers 24/26 as well as other matters. President Halsted concurred, and set the next Commission meeting for December 27, 1988, 10:30 a.m.

Commissioner Wong inquired about a provision for administrative fees in our lease documents, and discussion followed with Deputy City Attorney reporting that a draft proposal is currently being considered with the Property Department to expand sublease provisions. Staff was asked to forward this information to the Commission for input.

Following this discussion, Commissioner Coleman made a motion to approve, seconded by Commissioner Bouskos, motion carried.

The next matter for consideration was a request to approve a special rate for use of Pier 45 for organizations which receive monies from the Hotel Tax. In addition to the established rate for community groups, there would be a celebration-parade category which would also allow exemption from administrative fees.

Commissioner Wong abstained from voting on this matter, since he is a Director of one of the organizations which would benefit from this consideration.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Coleman, carried.

Commission next considered the matter of a lease with the Mission Creek Houseboat Association for approximately 192,400 s.f. of land and water space for a term of 30 years. Mr. Conrad explained the pertinent details of the agreement, specifically in reference to the required improvements to the harbor.

With reference to the houseboat transfer provision, Commissioner Wong suggested including specific language that the Houseboat Association would have 51% interest in a new ownership. This was agreed to by the Association's attorney.

Mr. Bob Isaacson, of the Mission Creek Association, responded to some specific inquiries by the Commission regarding berthing charges. Responding to Commissioner Bouskos inquiry concerning comparable rates to the Delta and Sausalito berthing, Mr. Isaacson said he would provide further information to the Commission.

At the conclusion of Mr. Isaacson's remarks, a motion was made to approve the lease by Commissioner Coleman, seconded by Commissioner Halsted. Commissioners Bouskos and Wong voted nay, with the resultant tie vote.

Commissioner Bouskos suggested deferring the matter pending receipt of further information, and Commissioner Coleman acceded by making a motion to rescind his original motion. It was therefore moved, seconded, carried to rescind the previous motion.

The Mission Creek Houseboat Association lease was deferred pending the call of the Chair.

MARITIME

Mr. Stone introduced members of the Cruise Ship Task Force, who addressed the Commission regarding their work in accomplishing a marketing plan to maximize the economic benefits to the Port from the cruise industry. Members included Mr. Warren Titus, president of SeaBourne Cruise, Mr. Stan Horne, Coldwell Banker, Ms. Bonnie Smyth-Smith, consultant, General Lolli, Castagnola's Restaurant, and Peter Daly, Port staff. Following some brief remarks by the Task Force, Mr. Stone requested the Commission's adoption of the Cruise Industry Marketing Plan which is the result of the partnership between the Port and the Task Force.

ACTION: Commissioner Wong moved to endorse the marketing plan, Commissioner Coleman seconded, motion carried.

The next matter for consideration was a five year terminal revenue sharing agreement with CIA Argentina De Transportes Maritima for which is the first South American carrier to pursue transshipment cargoes to the Far East and using San Francisco as the transshipment port. A brief discussion followed on the proposed increase in revenue to the Port.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Wong, carried.

Commission was requested to approve a parking law enforcement amendment to the San Francisco Municipal Code (Traffic Code) and authorize staff to seek Board of Supervisors' approval to enable designated Port personnel to be able to enforce parking laws on Port property.

ACTION: Moved, seconded, carried.

PLANNING, ENGINEERING, MAINTENANCE

Item 6a) was deferred for consideration until the next meeting at the request of staff.

Commission was requested to approve an increase of a supplemental appropriation for funds for construction costs for Pier 7 - a recreation and public access project. This request results from an unexpected shortfall of funds which had been expected from the Coastal Conservancy. Unless the Port is able to appropriate an additional \$195,000, the project can be seriously jeopardized.

ACTION: Moved, seconded, carried.

Commission withdrew into executive session at 11:50 a.m. for the purpose of discussing settlement of May v. CCSF, SF Superior Court No. 869-731. This is a matter of pending litigation and an executive session is specifically authorized under California Government Code Section 54956.9, subdivision (a).

Commission reconvened at 12 noon. City Attorney reported that in the matter of May v. CCSF., the Commission approved settlement. The meeting adjourned at 12:02 p.m.

President Halsted asked Commission concurrence to take the Department of Public Works presentation out of order. Hearing no objection, she called on Mr. Vitale Troyan of DPW who thanked the Commission for the time to present an informational update on the Embarcadero Parkway project. Mr. Troyan specifically addressed those matters of particular concern to the Port, i.e., parking, pier access, Muni Metro Turnaround, F-line alignment, and construction phasing. Peg Divine and Joe Cheung of the Urban Design Study team presented in-depth details on these matters. The Commission thanked the team for a very informative presentation, and indicated strong interest in a continuing dialogue before finalizing the proposed design concepts. Commissioner Bouskos expressed his concern over the loss of parking spaces under this design scheme, and noted that construction cost for new parking garages could be prohibitive. Mr. Joseph Bisho and Mr. Al Nathe, president and past president of the World Trade Club, expressed their concerns over the loss of parking to the Club, and inquired about the use of Pier 1 as replacement parking. There followed a brief discussion regarding this matter with the assurance being given that the team will continue to keep the Commission and the public updated on the progress of this project.

PROPERTY & FINANCE

Mr. Conrad presented four financial reports to the Commission and asked for approval of refunds and allowances in the amount of \$145,045 for the period ending October 31, 1988.

ACTION: Moved, seconded, carried.

Commission was next asked to approve the non civil service appointment for November, and it was moved, seconded, carried.

The Commission inquired about the Port's write-off policy with tenants, and staff offered a brief explanation of the process of a 30-day notice, interfacing with the tenant by the collections department, and as a last resort, the matter being turned over to the legal department for whatever legal resources available.

Commission was next asked to approve license nos. 11422-23-24-25-27 located at Pier 15, WTC 234-236, Pier 5, and SWL 343. These were so approved. In the matter of license no. 11421 for additional space for the Clothing Bank at SWL 349, Commissioner Bouskos objected to the low rate of 1¢ s.f., stating that he could not give his approval to such a rate, even though it is a nonprofit operation. This license was deferred pending further review.

Commission next reviewed the matter of a sublease at Pier 33 to Mr. Dominic Ingrande with Pan Marine Constructors.

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MINUTES

The San Francisco Port Commission met in special session at 10:45 a.m. Tuesday, December 27, 1988. Those present were:

PRESENT: President Anne Halsted
Vice President James R. Herman
James Bouskos, Member
Dr. Arthur Coleman, Member
Douglas Wong, Member

APPROVAL OF MINUTES

The Commission, by motion of Dr. Coleman, seconded by Commissioner Bouskos, unanimously approved the minutes of the meeting of December 14, 1988.

ACTING EXECUTIVE DIRECTOR'S REPORT

Mr. Kiisk asked the Commission to defer Item 6(a) until the next meeting pending further negotiation, and this was agreed to. The Board of Supervisors on December 21 approved the \$200,000 in funding for the Port's strategic plan development. Since the Board placed the funds in reserve, the Port will be required to obtain Board approval for specific allocation.

Mr. Kiisk informed the Commission of his meeting with Pier 45 tenants, regarding safety conditions in that area. Agreement has been worked out to alleviate some of the problem areas with all parties essentially agreeing to cooperate.

PROPERTY & FINANCE

Mr. Conrad presented three financial reports to the Commission for review and approval: sales & rental report, refunds & allowances for November 1988, accounts receivable through November 1988. Commission approved refunds & allowances in the amount of \$99,008 by motion of Commissioner Herman, seconded by Commissioner Bouskos, carried.

Licenses for space in the World Trade Center 286, and at Pier 32 for emergency medical helicopter landings were approved by motion of Commissioner Herman, seconded by Commissioner Bouskos, carried.

Discussion followed on the matter of the San Francisco Eye Institute, and its vacation of the premises at Pier 50. Mr. Conrad anticipated no problems in finding a new tenant for this property but agreed that discussion at this time was premature.

Discussion of Item 4(c) was postponed until the end of the agenda, pending the arrival of the development manager whose plane was delayed.

Commission therefore considered the assignment of a lease for the berthing of the ferryboat Santa Rosa to a new owner, Mr. Robert S. Dick. Discussion followed regarding the financial aspects of the proposed lessee, and it was agreed that Commissioner Bouskos and Mr. Conrad would review the financial information, and pending such review, the Commission moved to approve this assignment conditioned thereto.

ACTION: Moved by Commissioner Herman,
seconded by Commissioner Wong, carried.

5. MARITIME

a) Commission reviewed and discussed a new 5-year revenue sharing agreement with China Ocean Shipping Company (COSCO) which was presented by Mr. Stone. Commissioner Herman asked how our rates compared to the Port of Oakland, and Mr. Stone stated that the tariffs are the same, based on a revenue ton basis. He cited a recent study done by Jack Wells which compares all the rates up and down the West Coast, which he will make available to the Commission. Following this discussion, Commission took the following action.

ACTION: Moved by Commissioner Bouskos,
seconded by Commissioner Wong, carried.

b) The next matter to be considered by the Commission was an extension for three months of a contract for legal services with the firm of Nemirow, Hu, Kurt & Tankersley. Mr. Stone explained that staff had been unable to comply with the Commission's directive to bid this contract since suitable criteria or procedures had not been established. Recently, the City Attorney's office offered its assistance in developing a suitable Request for Proposals by which to bid such a contract. In the interim, staff requested Commission's approval to maintain the life of this contract for an additional three months in the event specialized legal counsel becomes necessary.

Mr. Stone indicated that by February 1, he would be able to issue an RFP, and the Commission would be presented with staff's recommendations on March 22. Commissioner Coleman expressed a strong concern that minority law firms be included in this RFP process, and stated that he would be very diligent in overseeing this selection process. Mr. Stone averred that staff has been working with Ms. Zula Jones of the Human Rights Commission in order to ensure compliance with these needs. Mr. Jack Pizza, Deputy City Attorney, addressed the issue, explaining that City Attorney's office has solicited minority firms under this process, by requiring that any majority firm which makes a proposal, come in as a joint venture partner with a minority firm. He suggested this could be one way of addressing the matter.

Discussion followed about the dollar amount of this contract for the years 1987-88, and what is proposed for the next three months. Mr. Stone indicated the amount budgeted was \$39,000 but fees have ranged to about \$80,000 for different years.

Commissioner Herman summarized the Commission's sentiment by stating that a concerted and rigorous effort should be made to solicit proposals from qualified, minority law firms for the future contract.

ACTION: It was moved to approve a 3-month extension of the contract by Commissioner Coleman, seconded by Commissioner Herman, carried.

6. PLANNING, ENGINEERING, MAINTENANCE

b) Mr. Rick Wiederhorn spoke to the matter of Piers 30/32 and the South Beach area, opining that presently very little is happening at 30/32 although much is expected to in the next few months. In the South Beach area, much activity was indicated with Bayside Village, Delancy Street, the Hills Brothers Center construction all underway. Mr. Wiederhorn delineated on the map five disparate areas which are currently being proposed for development, in the center of which are Seawall Lots 329, and 330 and Piers 30/32. A proposal has been made to develop Piers 30/32 as a mixed-use project incorporating retail space, an hotel, moving the cruise ship terminal into this area. The developer, Erik Norgaard, is currently in Europe but is scheduled to make a more detailed presentation to the Commission in March.

Commissioner Bouskos interjected with the comment that Mr. Norgaard seemed to be dragging his feet on this proposal, adding that he wanted to be clear that the Port will be pursuing the concept of this proposal with other interested individuals. The Commissioner said he had some reservations about Mr. Norgaard's lack of aggressiveness in developing this proposal and suggested the Port take a more active role in defining and marketing concepts. President Halsted agreed with some of the ideas raised by Commissioner Bouskos but stated that the container freight station proposal has still to be resolved. Commissioner Bouskos reiterated that he liked Norgaard's concept but felt that it was important that the Port be more involved in determining what and who will develop Port property.

It was suggested that the Port should look conceptually at how this area ought to develop, issue guidelines, and solicit competitive proposals for development, rather than arrive at a piecemeal solution.

President Halsted agreed that one of the reasons for the special study area was for the Commission to reach some conclusions as to what are the best uses for this area.

Staff delineated some of the problems common to development of the varied sites, Piers 24/26, Pier 28, Piers 30/32, the baseball stadium. Mr. Wiederhorn named parking as one of the more obvious, indicating a need for a comprehensive approach which will incorporate all of the proposed needs for this area. Staff will work on a development program which will lay out our criteria in order to issue an RFP, based on Port guidelines. This program will be reviewed by the Commission at its meeting in March.

Commissioner Herman asked for an update on Pier 30/32 and the proposed container freight station, and on the possible relocation of the passenger ship terminal. Mr. Kiisk summarized briefly the facts about the fire at 30/32, the insurance monies which initially amounted to \$12 million, but in actuality now are \$6 million due to bankruptcy of one of the carriers, and noted that the Port does have a completed set of design work, which is divided into three categories. One, to upgrade the entire pier; second, a warehouse portion of the container freight station; and third, the office portion in the front section of the cfs. Mr. Kiisk opined that the container freight station should be kept as a potential use under the Port's strategic plan proposal.

Commissioner Herman commented in the matter of a proposed passenger ship terminal in the Southern waterfront, that although he himself was a proponent of this use in this area, he recognized there were many who advocate keeping the cruise ship terminal at Pier 35.

Mr. Wiederhorn reiterated that the study will focus on these specifics:

- 1) if not a CFS, why not and what alternative uses for Pier 30/32;
- 2) where to locate the passenger ship terminal;
- 3) parking.

Commissioner Bouskos emphasized a preeminent position with the Commission is to define our parking sites, and to reserve our option for such.

After further discussion regarding the financing complexities of the Pier 30/32 proposed project, Mr. Conrad informed the Commission that the Port to this date has received all the money to which it is entitled from the insurance company, which is the actual cash value of \$2.1 million. There is also a replacement component which brings the total to \$12 million, due only if the Port replaces at the same location and virtually the same facility. After expending \$595,000 for design work, there is currently \$1.6 million available. The Commission was next asked to review and approve a Request for Proposal for Piers 24 & 26 by Bob Nuell, Development Manager. Commissioner Bouskos commented that he had set out some basic conditions which he felt needed to be in an RFP, and asked if these were included in the document presented. Staff indicated that the basic conditions would be negotiated after the proposal was issued.

Commissioner Coleman raised a question about the language of the second paragraph on page 19 of the RFP which cautioned developers against contacting the Port Commission and the Board of Supervisors for purposes of promoting their proposals. Discussion followed with the final outcome being a motion by Commissioner Coleman, seconded by Commissioner Bouskos to have counsel redraft this language to reflect better the desire of the Commission to restrict any unnecessary lobbying by any developer.

There was brief discussion about a recent updating of the conflict of interest code which staff indicated would be forthcoming to the Commission for it input.

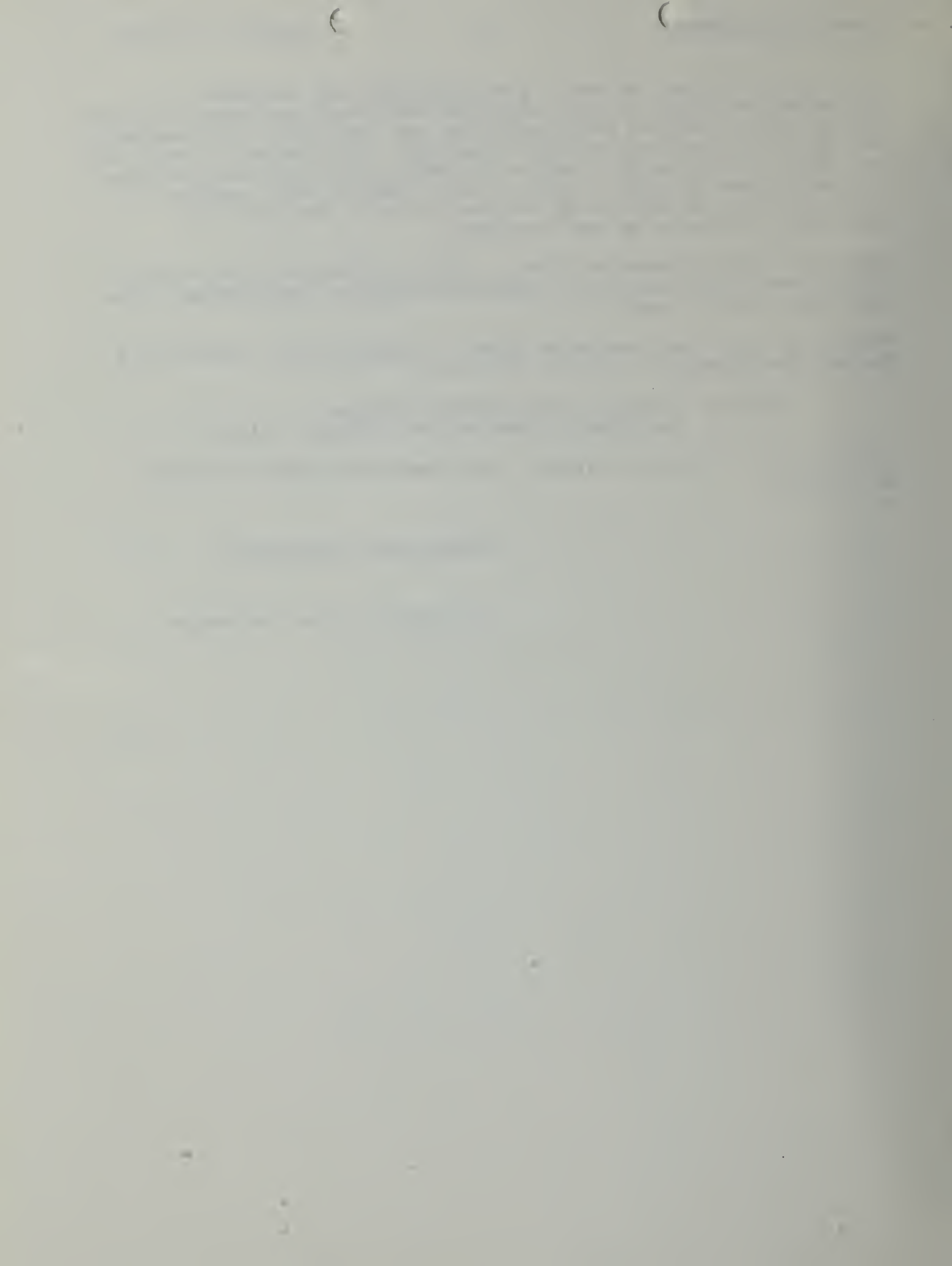
Following this, the Commission moved to approve the issuance of a Request for Proposal for Piers 24 and 26.

ACTION: Moved by Commissioner Bouskos,
seconded by Commissioner Herman, carried.

There being no further business, the Commission moved to adjourn at 12 noon.

Respectfully submitted,

Secretary to the Commission



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M I N U T E S

The San Francisco Port Commission met in regular session at 10:00 a.m. Wednesday, January 11, 1989.

PRESENT: President Anne Halsted
Vice President James R. Herman
James Bouskos, Member
Dr. Arthur Coleman, Member
Douglas Wong, Member

APPROVAL OF MINUTES

The minutes of the meeting of December 27, 1988 were approved by the following action.

Moved by Commissioner Bouskos, seconded
by Commissioner Coleman, carried.

ELECTION OF OFFICERS

The first item for consideration was the election of officers for the term beginning January 1989 through December. President Halsted asked for nominations for the office of the president. The name of Anne Halsted was placed in nomination by Commissioner Bouskos, with a second by Commissioner Wong. Nominations were then closed. Commissioner Halsted was unanimously elected to the presidency.

Nominations were then opened for the vice-president, with the name of James Herman placed in nomination by Commissioner Bouskos. Commissioner Wong seconded, and a motion by Commissioner Coleman to close nominations. Commissioner Herman was unanimously elected as vice-president.

ACTING EXECUTIVE DIRECTOR

Mr. Kiisk asked that Item 6c be taken immediately, noting that this was an award for job performance excellence to be presented Mr. Peter Toner, an electrician with the Port Maintenance department. He asked Captain Osborne and Mr. Toner to step to the podium. Mr. Toner was given a certificate of merit for his exceptional work in installing the cables for expansion of the Port computer network. Captain Osborne cited the outstanding manner in which he executed the job, his technical ability, and the timely accomplishment of his task. Mr. Toner accepted the Commission's appreciation.

Mr. Kiisk expressed his appreciation to the Commission for the trust and confidence placed in him over the last year, and noted the Port to be healthy and in good shape as the new director takes over.

President Halsted accepted Mr. Kiisk's thanks, and acknowledged her deep gratitude to him for an outstanding job. Each of the Commission echoed the president's sentiments, and closed with a round of applause to the outgoing director.

PROPERTY & FINANCE

Mr. Conrad asked for approval of the non civil service appointments for the month of December, and it was moved, seconded, carried.

The budget for fiscal year 1989-90 was then formally submitted for Commission 's review, and Mr. Conrad indicated that staff was prepared to discuss the document personally with each Commissioner. Final approval of the budget will be requested at the next meeting in January.

The revenue and expenditure summary for the period ending November 30, 1988 was presented for informational purposes, and a brief discussion ensued.

The next matter presented to the Commission was a status report on the cost accounting system to provide a brief description of the system design and to ascertain any concerns prior to implementation. Mr. Kutnick reviewed the systems concepts, data base elements and the implementation schedule, and indicated the next steps in the process would be modifying source documents, input screens and files, preparing detailed programming specifications, and developing the Property Master File, which would be followed with testing of the completed system. Schedule for the direct revenue portion of the system is July 1, with the first reports being available July 20, approximately. Commissioner Bouskos requested staff to advise the Commission if there is a time slippage of this schedule.

Commission was next asked to approve two licenses for space located at SWL 349, Building 2, and Room 128 in the Agriculture Building. Following a brief explanation, it was so moved, seconded, carried.

The next item for consideration was a lease with the Mission Creek Houseboat Association which operates a mixed-use harbor. This matter was reviewed previously at the December 27, meeting and the Commission requested further clarification of some issues. All of these concerns have been answered, and the Commission took the following action.

ACTION: Moved, seconded, carried.

Mr. Bob Isaacson, representing Mission Creek Houseboat Association, expressed the thanks and appreciation for his group, stating a commitment to be good neighbors.

Mr. Conrad next asked the Commission's consent to approve the collateral assignment of the Pier 39 lease known as the "Mud lease". This is in conjunction with furnishing appropriate Estoppel Certificates to Teachers Insurance and Annuity Association which the Commission agreed to at its October 26, 1988 meeting. The various certificates issued at that time did not include that document involving underwater space needed by Pier 39 to sink lateral supports at the time of construction of its breakwater.

ACTION: Moved, seconded, carried.

The next action requested of the Commission was adoption of a resolution approving a 36 month sublease for 2,780 s.f. of space from Hoei Trading America, Inc. to France Foods, Inc. This area will be for wholesale fish processing.

ACTION: Moved, seconded, carried.

PLANNING, ENGINEERING, & MAINTENANCE

Commission next considered the award of Contract No. 2556, to Darcy & Harty Construction for completion of the Pier 94-96 gabion wall, and resolved to approve the selection of this firm.

ACTION: moved, seconded, carried.

Captain Osborne asked Rick Wiederhorn to speak on the feasibility study for development of a commercial heliport (vertiport) and explain where we are in the process. Rick indicated funds are in place for the study, and the next step is selection and hiring of a qualified consultant. A Request for Qualifications and Proposals (RFP) has been prepared identifying a list of tasks to be accomplished by the prospective consultants, and asks how each consultant will achieve each task in order to realize the goals set by the Port and the citizens' advisory committee. Consultants must also demonstrate their qualifications to do the required work. With the Commission's approval, the RFP will be sent to more than 60 consulting firms, and an evaluation panel will review the proposals, and recommend a consultant (or team) for the Commission's final approval.

Staff elaborated on the four specific tasks involved in the study.

Objective A. To establish the needs and benefits of a vertiport.

Objective B. To establish characteristics and criteria.

Objective C. Site selection, environmental assessment, and identification of costs.

Objective D. Implementation Strategies.

At the conclusion of Mr. Wiederhorn's presentation, the president asked for public comment. Mr. Edward Van Egri, from Russian Hill Neighborhood Association, Mr. John Kerby-Miller, Citizens Advisory Committee, and Dr. Francis Claus, Potrero Hill Boosters, addressed the Commission

in endorsing the Request for Proposals for the Vertiport Feasibility Study, and urged the Commission to adopt the resolution authorizing staff to go forward. Dr. Claus voiced some concern regarding noise control, as well as representation at Advisory Committee meetings by the Mayor's Office.

Assurance was sought and expressed that every phase of this process be brought back to the Commission for review and approval before continuing to the next level. Both the public and the Commission will participate in this process, so that if it is demonstrated at any point that a vertiport development is not warranted, the process can be halted.

ACTION: It was moved by Commissioner Bouskos to approve Resolution No. 89-10, seconded by Commissioner Wong, and the final vote resulted in - Ayes: Bouskos, Halsted, Coleman, Wong. One no vote - Commissioner Herman. The motion carried.

NEW BUSINESS

Deputy City Attorney reported on a recent decision by the Air Quality District Hearing Board granting the Port an exemption from compliance with the rules and regulations of this Board. This ruling is significant because the Port is no longer required to install a gas collection system thereby resulting in a saving of some \$200,000 to \$400,000 to the Port.

President Halsted commended Engineering Department staff as well as Ms. Clay for their outstanding team work and effort.

There being no further business, the meeting adjourned at 11:05 a.m.

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MINUTES

The San Francisco Port Commission met in regular session at 10:00 a.m.
Wednesday, February 8, 1989.

Present: Anne Halsted, President
James R. Herman, Vice President
Dr. Arthur Coleman, Member
Douglas Wong, Member

Absent: James M. Bouskos, Member

APPROVAL OF MINUTES

The minutes of the meeting of the meeting of January 25, 1989 were
approved by the following action:

ACTION: Moved by Commissioner Coleman,
seconded by Commissioner Wong, carried.

EXECUTIVE DIRECTOR'S REPORT

Mr. Huerta informed the Commission that the Vertiport Request for
Proposals submission response date has been extended due to the recent
Supreme Court Richmond decision which could impact on the language
presently in our RFP. Pending review of HRC guidelines by the City
Attorney, the due date for proposals has been extended. In other issues,
Mr. Huerta said he has met with other city agencies with regard to the
land swap in the Mission Bay project, stating that Port staff is looking
at the land valuations in the proposed land swap to ensure the
Commission's guidelines which were approved in 1987 are being adhered
to.. These guidelines specify the Port will receive fair compensation for
any Port land, and whatever is decided in Mission Bay will be consistent
with these guidelines.

A kick-off meeting of the Strategic Planning Advisory Committee was held
on February 2, with fifteen panel members participating with a very lively
discussion providing staff with a great deal of valuable input, which is
now being drafted into a scope of work for the plan.

In conclusion, Mr. Huerta asked the Commission to approve a commendation
to Mrs. Lydia O'Skea for her work in coordinating the Port's Combined
Charities Campaign for 1989. President Halsted presented a certificate of
merit for her work to Mrs. O'Skea, who thanked the Commission and
mentioned several of her fellow employees for their assistance.

Dr. Coleman made a motion to formally adopt a resolution commending Mrs.O'Skea for her contribution, which was seconded by Commissioner Herman, and carried.

PROPERTY & FINANCE

Mr. Conrad presented the summary of revenues and expenditures for the period ending December 31, 1988, noting that revenues for the last six months of the fiscal year are up.

Commission was requested to approve a license for space in the World Trade Center for a firm called National Entertainment Data, Inc. Dr. Coleman inquired whether a background check is done of proposed licensees prior to seeking Commission approval, and was assured that a financial credit check is made of prospective tenants.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Wong, and carried.

The next matter was a request to approve assignment of a lease with radio station KEST which has a transmitter tower at Pier 46b. KEST is being acquired by Douglas Broadcasting Company together with two other radio stations. Principals in Douglas Broadcasting are John Douglas, The Prudential Insurance Company of America, and the Pruco Life Insurance Company.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Herman, and carried.

NEW BUSINESS

Discussion followed on the China Basin office building which is under major reconstruction. Mr. Conrad stated that this is not Port property, nor is it under Port jurisdiction.

Commissioner Herman asked for a status report on the development of parking facilities in the triangle property located neary the Bayside Village development. This has now become part of a much broader planning issue in view of the ballpark stadium proposal, as well as the Embarcadero Parkway, as well as a whole host of other issues opined Mr.Huerta. At a recent Parking Agency meeting, he raised the question of how many total number of spaces are needed for the projects that are proposed. Although no answer has yet been given to that query, he said he has agreed to look at the planning solution as a total solution without holding up any of our needs for creating revenue. Mr. Huerta indicated he would bring back a full report to the Commission at its next meeting on the overall parking problem on this stretch of water. In the meantime, we are making no commitments to anyone.

The issue of the tunnels, Mr. Huerta stated that we are in the process of of developing the Port's position, and we have communicated to Southern Pacific our initial position. In terms of a timetable, this issue needs to be resolved in the next few weeks, with a formal presentation to the Commission in early March for its action

The Commission recessed at 10:20 a.m. by motion of Commissioner Coleman, and reconvened at 10:35. The Commission then adjourned by formal action at 10:37 a.m. for an executive session.

LEGAL

An executive session was held for discussion of CCSF v. CONTINENTAL DEVELOPMENT CORPORATION, San Mateo Superior Court No. 306-2256, which was authorized under California Government Code Sec. 54956.9(a), as a matter of pending litigation. The executive session concluded at 11:44 a.m. with the Deputy City Attorney Pizza stating that no action was taken in this matter.

There being no further business, the Port Commission adjourned at 11:45 a.m..

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MAR 9 1989

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M I N U T E S

The San Francisco Port Commission met in regular session at 10:00 a.m. Wednesday, February 22, 1989.

Present: Anne Halsted, President
Dr. Arthur Coleman, Member
Douglas Wong, Member
James M. Bouskos, Member

Absent: James R. Herman, Vice President

APPROVAL OF MINUTES

The minutes of the meeting of the meeting of February 8, 1989 were approved with one correction. Page 2, last paragraph should read as follows: "The Commission convened in executive session at 10:37 a.m."

ACTION: Moved by Commissioner Coleman,
seconded by Commissioner Wong, carried.

EXECUTIVE DIRECTOR'S REPORT

In response to Commissioner Coleman's request at the February 8, 1989 meeting, Mr. Huerta advised the Commission on the status of the tunnel project stating that staff is in the process of doing a full-fledged capital project evaluation of the project as well as related services, indicating the results of the evaluation would be available by the end of the week. A detailed analysis of the cash flows and the project's overall costs will be presented to the Commission at its next meeting in March.

Mr Huerta next asked the Commission to remove Item 5a from the agenda because negotiations with the potential tenant were still in progress. Since there were two items for discussion in executive session he asked the Commission to consider property and finance matters as the next order of business.

President Halsted called on Mr. Conrad to make his presentation.

PROPERTY & FINANCE

Mr. Conrad reported on the Status of Accounts Receivable - Sixty Days and \$5000 through January 31, 1989, briefly outlining settlement negotiations which have been reached and those which are still ongoing.

Commissioner Coleman asked for further information regarding the National Car Rental matter. He also asked Mr. Conrad to comment on any differences since the Port's auditing is being done by the Controller's internal audit division rather than a private CPA firm. Mr. Conrad opined the quality of work and timing are comparable, the only discernible difference being that costs are higher. President Halsted asked if a payment schedule had been set up for Postermat Friedman, and was assured that a schedule is in place.

The Commission was next asked to approve a license for space in the Pier 80 administration building to International Coach, a transportation company for their administrative offices.

ACTION: Moved by Commissioner Wong, seconded by Commissioner Coleman, carried.

President Halsted asked for any other business under the regular agenda. There being none, it was the decision of the Commission to withdraw to executive session. City Attorney Pizza stated the Commission would meet in executive session for discussion of two matters.

- (i) CCSF v. Continental Development Corporation, San Mateo Superior Court No. 306-225, specifically authorized under California Government Code 54956.9(a), as a matter of pending litigation, and
- (ii) Discussion re instructions to the Port negotiator in the acquisition, lease and/or exchange of real property located in that area bounded by China Basin channel on the north, Mariposa Street on the south, Illinois Street on the west and China Basin Street on the east, as well as parcels east of Illinois Street, bounded by the PG&E power plant on the north, and Pier 80 on the south, and is specifically authorized under California Government Code 54956.8.

The Commission reconvened into regular session at 11:30 a.m. Deputy City Attorney Pizza stated that no definitive action was taken in the executive session.

President Halsted asked for a motion to adjourn. Commissioner Coleman so moved, seconded by Commissioner Wong, carried and the meeting was adjourned at 11:33 a.m.

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APR 17 1989

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M I N U T E S

The San Francisco Port Commission met in regular session at 10:00 a.m.
Monday, March 6, 1989.

Present: Anne Halsted, President
Dr. Arthur Coleman, Member
Douglas Wong, Member
James M. Bouskos, Member

Absent: James R. Herman, Vice President

APPROVAL OF MINUTES

The minutes of the meeting of February 22, 1989 were approved by motion of Commissioner Wong, seconded by Commissioner Bouskos, carried unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Huerta informed the Commission that the tunnel project report would be given under Maritime, and would be a summary of the methodology we will be using with some preliminary findings. A more detailed analysis factoring in treatment of debt service will be in a finalized report which will be presented to the Commission at a later meeting. A second issue pertaining to Fisherman's Wharf, the spot bill dealing with the possibility of State funding for the Wharf fishing facility project has been introduced under the sponsorship of Senator Milton Marks. Mr. Huerta said he would accompany the Mayor to Sacramento to talk about this legislation and its importance to the fishing industry and to San Francisco, and more specifically to the need for grant funding for the seafood center, the berthing project, as well as the broader redevelopment project.

Another issue Mr Huerta discussed was the vertiport feasibility analysis which was delayed due to HRC hiring guideline complexities. The extended due date for receiving proposals is now March 28 and this will delay the study about 6 to 8 weeks.

In other matters, Mr. Huerta informed the Commission of an unusual exhibition which will be coming to Pier 45 in April, a presentation by the Associates of Science and Technology of holographic photographs which is currently on exhibit in San Jose. Mr. Huerta suggested the Commission might be interested in viewing the exhibition.

Discussion followed regarding the proposed exhibition at Pier 45 and staff confirmed that the Fisherman's Wharf community has no serious objection to its presence at the Wharf, although an extended exhibition period at the pier could pose difficulties during the tourist season.

Mr. Huerta next asked the Commission to withdraw Item 5A from the agenda pending further discussion on this issue. The Commission agreed to withdraw this matter.

Diminishing ship repair work in the Bay Area was the subject of discussion in a recent meeting with representatives of the major ship repair firms in San Francisco, Mr. Huerta next reported. Continental Maritime, Southwest Marine, and Service Engineering met to discuss their concerns with him, as well as to try to develop strategies for bringing more work to San Francisco. The Director said we will be mounting a coordinated effort involving companies, the Port, labor, and the business community in general to lobby our representatives in Washington, D.C. and let them know how important this industry is to San Francisco.

PROPERTY & FINANCE

Mr. Conrad presented the Commission with financial reports for the months of December and January, and asked for approval for refunds and allowances in the amount of \$113,533.

ACTION: Moved by Commissioner Wong, seconded by Commissioner Bouskos, carried.

In personnel matters, Commission was asked to approve non-Civil Service appointments for three individuals during the month of February, and these were approved.

The Commission next reviewed and approved licenses for office space in the World Trade Center for a structural engineering firm, and a retail manufacturer.

The next matter discussed was a request by Pier 39 to increase square footage allowed for administrative offices. Under the lease, any increase in office space is subject to Port Commission approval and to an agreement between both parties to a new economic rent schedule. With this increase in office space, Pier 39's total administrative space will be 8,400 square feet at a rate of \$1.20 s.f., and will bring the current economic office rent to \$100,276 annually. After a brief discussion regarding whether the rate per square foot is submarket, the Commission took the following action.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Wong, carried.

Commissioner Bouskos suggested a need to upgrade the basic rate, and asked staff to look at doing this. Mr. Conrad advised that staff will be presenting a new minimum rate structure to the Commission very shortly which will be higher than the current one which should answer this need.

Commission was next asked to approve clarification of the language in the Ferryboat Santa Rosa lease pertaining to the use of the premises. It was explained that although the new owner intends the uses to be consistent with the previously defined ones, these have not been specifically identified. Therefore the Commission's consent was requested to the additional use of the Santa Rosa for meeting rooms and banquet facilities.

ACTION: Moved by Commissioner Wong, seconded by Commissioner Bouskos, carried.

The next item for discussion was a request for a waiver of administrative fees by the Leukemia Society of America, for their annual fund-raiser event the "Louie Louie Parade" scheduled for Saturday, April 1 on Port property. The Assistant Executive Director of the Leukemia Society, Art Hoffman, addressed the Commission to ask for relief from this cost, and cited the hardship the \$500 charge would have on their already low operating budget. The Commission although sympathetic to Mr. Hoffman's request, and supportive of the Society's work, felt it necessary to deny the request for waiver. Commissioner Bouskos offered to cover the Society's administrative cost in this instance, as a personal contribution and invited the other Commissioners to join with him in this effort if interested.

MARITIME

Mr. Stone gave a brief update on the tunnel project, indicating a positive preliminary assessment based on net present value and internal rate of return. A financial analyses on the entire project is being readied for presentation to the Commission within the next month. There have been several meetings with Southern Pacific, and a draft contract is being reviewed by them. It is expected that negotiations will commence shortly. Before we can go with the actual lowering of the tunnel there has to be engineering design work. Southern Pacific has received proposals from consultants for this work. From the marketing side, discussions with carriers have been encouraging with at least two lines interested in this project development. Evergreen continues to be "bullish" on moving their westbound intermodal through northern California. Mr. Stone concluded by stating that the Port has to have intermodal or we will not be in the game.

There was a motion by Commissioner Coleman for a brief recess at 10:35 a.m. and the Commission reconvened at 10:58 a.m. The Commission then withdrew to executive session for discussion of the Port's claim against Nedlloyd Lines and to discuss instructions to the Port negotiator regarding real property acquisition, lease and/or exchange. These matters were authorized under California Government Code Sections 54956.9 (c), and 54956.8.

In the matter of Port v. Nedlloyd Lines, settlement was approved. No further action was taken.

There was no new business to discuss. The Commission meeting adjourned at 11:20 a.m.

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MAR 17 1989

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MINUTES

/// The San Francisco Port Commission met in regular session at 10:00 a.m. on March 22, 1989.

Present: Anne Halsted, President
James R. Herman, Vice President
Dr. Arthur Coleman, Member
Douglas Wong, Member
James M. Bouskos, Member

APPROVAL OF MINUTES

The minutes of the meeting of March 6, 1989 were approved by Commissioner Bouskos motion, seconded by Commissioner Coleman, carried.

EXECUTIVE DIRECTOR'S REPORT

Mr. Huerta informed the Commission that a status report on Fisherman's Wharf would be presented this morning (Item 6e and 6f on the agenda) which would encompass two aspects of the Fisherman's Wharf Seafood Center. There will be a full report on the project by staff. This morning the item we will be discussing is your approval to apply for a grant and is not an expenditure of Port funds. Staff will also provide an update on the project's overall financing prior to presenting a subsequent resolution at the next Commission meeting.

The next issue was a follow up to the presentation of the previous meeting regarding the tunnel project. Mr. Huerta noted that the detailed financial report is still in a process of revision and should also be ready for presentation to the Commission at the next meeting.

Mr. Huerta advised that he made a presentation on the Fisherman's Seafood Center to the Fisherman's Wharf Citizen's Advisory Committee meeting last week and provided the status on the financial standing of the project. He was of the opinion that the members of the Advisory Committee were supportive of the Seafood Center project moving forward and they will be sending a letter to the Port indicating their support of the project to be circulated to the members of the Port Commission.

In conclusion Mr. Huerta informed the Commission he was going to Washington D.C. (March 27-30) to attend the Spring Conference of the AAPA and more importantly to have discussions with the Navy as well as with the congressional delegation on ways to improve the ship repair business in San Francisco, which may be faced with severe problems in the next two or three years. We're working on what we can do to level out the Navy's contracting process which would help our companies here.

4. PROPERTY & FINANCE

Mr. Conrad presented the Commission with one financial report, Status of Accounts Receivable, 60 days and \$5000, correcting one entry under Commodore Helicopters, and noting that in the matter of San Francisco Eye Institute, the tenant will vacate on March 31, 1989, and that a payment schedule has been worked out. It is hoped that one of the current sublessees will take over the entire building.

The next matter for Commission consideration was an amendment to the Mission Creek Houseboat Association lease, recently approved by the Commission. Mr. Conrad said that the amendment before the Commission would take care of the possibility of relocating the houseboaters should there be a need for an environmental clean-up of the Mission Creek Channel. In conjunction with this amendment, Mr. Conrad specified that Item 6d (a request to vacate a portion of Channel Street) would also be submitted to the Commission for action. Discussion followed with the Commission taking the following action.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Bouskos, to approve Resolution No. 89-26

The Commission was next asked to approve eight licenses for office space located in the World Trade Center, the Ferry Building and for storage space at Pier 45. Mr. Conrad asked to delete the license for Golden State Marine Inc. at Pier 26, pending further negotiation.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Wong, carried.

Port Property Manager, Dorothy Schimke, introduced a new member of her staff, Diane Artz, and acknowledged her able assistance in preparing the operational changes being proposed for Pier 45. Ms. Schimke informed the Commission that this proposal was prepared as a first attempt to improve control of the shed operation. Such changes are long overdue and should be beneficial to all. Some of the changes encompass licensing stringer and parking space, providing transient space, and auditing of Fish and Games tags to substantiate wharfage and year-round use of the space. Staff will be presenting these proposed changes at a community meeting at the Wharf this afternoon. The Commission will be apprised of the outcome of this meeting.

Commissioner Wong inquired if the Port will realize a substantial difference in revenue with these proposed changes, and Ms. Schimke indicated it would be about \$90,000 annually which is significant, but regaining control of the management of the Pier shed space was the more significant.

President Halsted agreed that the overriding issue should be to know what is going on with the property and be able to manage it to the benefit of all tenants. Discussion followed on the matter of maximum use of the shed space, and staff commented that there are some businesses only operating for three months, basically reserving the space for the other nine months of the year. Staff needs to verify that businesses are actually in business 12 months of the year and do require the shed space.

The next matter for consideration by the Commission was an outline for proposed temporary parking for SWL 330 which staff has been developing. Mr. Nuell, Port development manager, explained that this proposal would lease on a one-year basis with two consecutive one-year options approximately 97,900 sq.ft. located at Seawall Lot 330 for temporary surface parking. The need for additional parking in the area is expanding due to new housing construction, such as Bayside Village and Delancey Street Foundation. This would bring additional revenue to the Port as well as beautify the area.

Commissioner Bouskos suggested that any proposal for parking in this area should include SWL 329, and emphasized that an RFQ should be part of the package as well, since a potential developer could ultimately be in a pre-eminent position to become the lessee of a larger facility at a later point in time, and therefore the Port should examine the financial qualifications of a bidder.

Staff said it is important that it is established that this is a temporary improvement that does not set a precedent or prejudice future planning of the lot for higher and better use. We need to have City Planning's concurrence that they recognize this is not pre-existing parking for subsequent development.

Commissioner Halsted objected to setting higher standards than the project actually requires and thereby excluding smaller operators who might not be potential developers from bidding on this project. Bouskos reiterated that any planning for this proposal should have this scope in mind, and also offered to discuss this further with staff.

Staff will continue to finalize the parameters of the proposal and will bring it back to the Commission within the next 60 days.

5. MARITIME

The Commission was asked to approve a 90-day extension to the Operating Agreement with Marine Terminals Corporation located at Piers 27 and 29. This is necessary because the five year contract with Marine Terminals will expire on March 31, and additional time is required to complete an analysis for renewal of the agreement. In the absence of a renewed agreement, this extension will be filed with the Federal Maritime Commission so there is no interruption of service to our steamship line customers.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Wong, carried.

6. PLANNING, ENGINEERING, MAINTENANCE

In recognition of exemplary performance of his work, the Port Commission awarded Mr. Todd Peterson, Port Senior Storekeeper, a commendation for his contribution and adopted a resolution attesting to his efforts in design and implementation of a new inventory control system. Mr. Peterson accepted the resolution and expressed his thanks to the Commission.

The Commission next reviewed a request to readvertise a contract for Pier 7, which is a proposed recreation and public access project. A Supplemental Appropriation for \$1,695,000 to provide funding for this contract was approved by the Port Commission in December 1988, and on March 3, 1989, approved by the Board of Supervisors.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Herman, carried.

The next matter for discussion was a request to the Board of Supervisors to declare an emergency for crane repair work at the South Container Terminal (Pier 94/96). Damage to the strategic crane at the South Container Facility occurred in early March, and the imminent arrival of an Evergreen vessel necessitated prompt remedial repair work. Staff undertook the needed action, and the request to the Board for this declaration is necessary in order that the contractors who performed the repair work can be paid.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Herman, carried.

Captain Osborne introduced the next item which was approval to vacate a portion of Channel Street, in order to accommodate the lease of a portion of the water area within the dedicated street area. This was the companion item to Resolution No. 89-25 which approved an amendment to the Mission Creek Houseboat lease.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Coleman, carried.

Ms. Carole Brown, Port fisheries consultant, reported to the Commission on the present status of the Fisherman's Wharf Seafood Center project and the financing strategy involved to identify and secure funding for the entire project. Ms. Brown informed the Commission that to date the project team has completed the following:

- + Project cost review and revision of more detailed inspection and design development
- + Traffic, water quality, and cultural resources analyses completed, and preparation of environmental review
- + Federal, state and private participation funding search
- + Structuring of a financial plan and schedule for a phased development.

The estimated cost for the harbor facilities, Pier 45 industry improvements, and a Fisheries Institute is \$27 million. A \$3 million loan for the harbor portion of the project is being processed by Cal Boating based on the Port's application. Staff is recommending that the Port make application to the Coastal Conservancy for a grant and/or loan for the public access portion, and request approval from the Board of Supervisors to accept a grant and/or loan from the Conservancy for the public access, planning and Fisheries Institute elements of the Fisherman's Wharf Seafood Center project.

In summary, Mr. Huerta said it was important at this time that the Commission have the whole package for consideration in this public setting, should there be any questions, or if members of the public wanted to comment on the project..

President Halsted called for public comment. There being none, the Commission took the following action.

ACTION: Resolution No. 89-28 authorizing the Executive Director to apply for and accept a grant and/or loan from the California Coastal Conservancy to finance in part the construction of the Fisherman's Wharf Harbor facilities, and further requesting the Mayor to recommend and the Board of Supervisors to authorize application for such a grant, moved by Commissioner Bouskos, seconded by Commissioner Herman, and carried.

7. LEGAL

Deputy City Attorney stated that an executive session was calendared for discussion of two matters:

- (i) CCSF v. Continental Development Corporation, and
- (ii) Instructions to Port negotiator re acquisition, lease and/or exchange of real property.

Former Port Commissioner Jack Morrison, representing San Francisco Tomorrow asked to address the Commission in the matter of 7(ii) and President Halsted extended the Commission's welcome to him.

Mr. Morrison reiterated the position of San Francisco Tomorrow and that of the Seaport Waterfront Committee in urging the Commission to reject the proposed Mission Bay project. Mr. Morrison said it has been our historic position that the proposed Mission Bay land swap should be confined to the land west of Third Street, with all the land east of Third reserved for maritime use. Mr. Morrison stated his group now joined with other community groups in supporting a citizens' alternative to the official Mission Bay plan calling for no housing development east of Third. It would create an open space park south of that, a wetland extending down as far as 16th street, with the proviso that this open space land be kept available should the Port ever require it for expansion. and urged the Commission to reject housing east of Third Street. He urged against the Commission taking any action today that would preclude any future expansion of the Port. Mr. Morrison emphasized the Port Commission would have strong community support in rejecting the land swap proposed by Santa Fe/Southern Pacific.

Mr. Jim Firth, Potrero League of Active Neighbors, presented a handout to the Commission entitled the "Citizens Alternative to the Mission Bay/Santa Fe Proposal" addressing the concerns of this group regarding the proposed Mission Bay land swap. Mr. Firth opined that the Citizens Alternative proposes more housing, and less office use but remains a profit-making

venture for Santa Fe. He also presented a copy of comments which were submitted to City Planning and commented specifically on these. He urged the Commission to consider very carefully the issues of Pier 48-50, and the tunnelizing through the Sierra for double-stacked cargo.

At the conclusion of public testimony, the Commission withdrew into executive session at 11:30 a.m. Commission reconvened in regular session wherein the Deputy City Attorney reported no action was taken in either matter.

The meeting was adjourned at 11:47 a.m. by motion of Commissioner Herman, seconded by Commissioner Bouskos, carried.

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M I N U T E S

The San Francisco Port Commission met in regular session at 10:00 a.m on Wednesday, April 26, 1989.

1. ROLL CALL

PRESENT: Anne Halsted, President
Dr. Arthur Coleman, Member
James M. Bouskos, Member
Douglas F. Wong, Member

ABSENT: James R. Herman, Vice President

2. APPROVAL OF MINUTES

The minutes of the meeting of April 6, 1989 were approved by motion of Commissioner Bouskos, seconded by Commissioner Wong, carried.

3. EXECUTIVE DIRECTOR'S REPORT

Mr. Huerta reported that he and Mr. Stone met with the President of Evergreen Marine Shipping Company and also called on other shipping line representatives doing business with the Port on their recent trip to Taiwan and to Japan, and were given a very cordial welcome. Mr. Huerta indicated that he and two Commissioners will accompany Mayor Agnos and Mayor McEnery of San Jose on a trade promotion trip to Asia in the next few weeks in a campaign to make the Bay Area a trading partner with Asia.

The director reported progress on the Southern Pacific Tunnel Modification Project, stating that meetings with SP management have produced an exchange of draft agreements with some real promise of resolution in the near future. Mr. Huerta noted that discussions have included the issues of the Port and Southern Pacific's financial obligations relative to the project; the scope of the project; and the service, operation and rates guarantees of the project. Mr. Huerta noted that the Chairman of Southern Pacific Transportation Company has met with the Mayor and me and has expressed his strong support for the project. We are hopeful that negotiations can be wrapped up by the end of May.

Item 6(c) was deferred by request of the director.

. ACTION: Moved by Commissioner Coleman, seconded by Commissioner Wong, carried.

4. PROPERTY & FINANCE

a) Mr. Conrad next presented the Commission with four financial reports, and asked for a motion to approve refunds and allowances for February, 1989 in the amount of \$138,071.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Wong, carried.

b) Four licenses were presented for space located at Pier 26, Pier 80 Administration Building, and 490 Jefferson Street. A brief discussion of the properties followed. Commission then took the following action.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Wong, carried.

c) d) Two separate leases for property located at 490A Jefferson Street were considered next by the Commission. Under one lease, the tenant Martell Insurance Services will occupy the westerly half of the first floor and adjacent outdoor entry, and the second tenant S.P. Tarantino Insurance will occupy the easterly half, and incorporate existing space on the second floor with first floor space. The Commission discussed the terms of the two leases briefly and approved both.

ACTION: Moved by Commissioner Bouskos to approve Resolution No. 89-40, seconded by Commissioner Wong, carried.

ACTION: Moved by Commissioner Bouskos to approve Resolution No. 89-42, seconded by Commissioner Wong, carried.

e) The Commission was requested to consent to a proposed early termination of a lease with Crowley Maritime Corporation for space at Pier 9. This lease would expire in June 1991, but since Crowley has moved its operation to Oakland, it no longer requires the premises at Pier 9. Staff is confident this property can be leased with no difficulty at a higher rental structure, which should offset any loss of rent incurred by the early termination. Staff stated that termination of this lease is subject to approval by the Board of Supervisors.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Wong, carried.

Mr. John Thiella, representing China Lines and Robert Michaan addressed the Commission regarding the space at Pier 9, stating that his company is interested in negotiating the lease of this property when it becomes available.

6. ENGINEERING , PLANNING & MAINTENANCE

a) Under Resolution No. 89-28 the Commission approved a request to go before the Board of Supervisors to apply for and accept funds from the California Coastal Conservancy for construction of the Fisherman's Wharf Harbor Facilities. The initial application is limited to public access and planning uses. Since passage of this resolution, staff was advised of the availability of funds for the commercial fishing harbor facilities (i.e. berths and infrastructure). Therefore this amendment is needed to allow the Port to seek such funds. The Commission took the following action.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Wong, carried.

b) The next matter before the Commission was a briefing on the Fisherman's Wharf Redevelopment Plan as it is being developed by Planning, the Port, the Redevelopment Agency, and the Citizens' Advisory Committee. The study has three main objectives. The first to address the lack of parking, poor circulation and crowding, and general disrepair of the area. Secondly, to provide better pedestrian access to the waterfront, as well as more landscaping and thirdly, recreating a theme or ambience to the Wharf which reflects its unique history and importance to the City. The study area encompasses a large portion of the wharf from Pier 33-35 on the east, to Aquatic Park and Bay Street on the west. Rick Wiederhorn, planning manager, said the plan recommends a number of specifics - such as realigning The Embarcadero to facilitate access to Pier 45 and eliminate the pedestrian bottleneck at Pier 41 and Pier 43-1/2; creation of a public area on the Triangle; establishing Jefferson Street as the main pedestrian street at the Wharf; and continuing the pedestrian promenade at Pier 39 from Pier 35 to Pier 45.

The plan also focuses on improving the placement and design of buildings and streets in the area to provide a more pleasant atmosphere as well as alleviate some of the congestion and crowding. Copies of the suggested design guidelines were provided by the design consultants to the Commission.

The plan identifies what it calls opportunity sites which are sites that are somewhat under-utilized in which new development could occur, such as the Haslett Warehouse, the Cannizarro block, the ILWU central hall, and the bus lot. Opportunity sites of significance to the Port are the Triangle site, and SWL 314. It is proposed that existing surface parking at Triangle site be relocated underground and present tenants be relocated to another building with an open architectural structure which would allow views from Taylor and Jefferson and across the Triangle to the Bay..

In other areas, the plan puts forward an issue of much interest to the Port which involves pier configuration at Pier 41-43 in order to would accommodate more boating activities in this area by increasing the boating and ferry excursion capabilities. There is a resurgence of interest in this type of expansion.

In summary, the Commission heard that there are issues still to be resolved involving among others, the retention of Pier 35 as a cruise terminal, the business tenant relocation, as well as where the money will come from to accomplish such an ambitious undertaking. Over the next months, staff will be defining specific costs for this project, trying to phase in components of the project, finding and identifying sources of funding. The original funding concept behind the Redevelopment Agency thinking was to establish a tax-increment program to promote public improvement based on future taxes generated. Since there is little tax revenue to be generated by this project, this is still an ongoing issue.

Commissioner Bouskos inquired about the possibility of an assessment district, and was informed that this was also being considered together with several other possibilities.

President Halsted remarked that for her part, the plan, even though it is as yet not financed, represented a great achievement on the part of all the people who worked together to change and improve something for the common good.

7. LEGAL

a) The Commission was next requested to approve the selection of the firm of Nemirow, Hu, Kurt and Tankersley to represent the Port in Washington D.C. . This firm along with four others responded to a request for proposals issued by the Port in March. A 4-member panel interviewed all respondents and this firm received the highest score. It was therefore recommended the Commission award this contract (for fifteen months for an amount not to exceed \$15,000.00) to the firm of Nemirow, Hu, Kurt & Tankersley.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Wong, carried.

8. NEW BUSINESS

Mr. Huerta talked briefly of the South Bayshore Plan, a subject recently brought before the Commission by Dr. Coleman and a report prepared by the City Planning. He indicated that this plan does not include the Hunters Point area but is a policy plan to provide guidance in resolving some of the major issues prevalent in this area, such as housing, minority employment, educational and recreational opportunities. Mr. Huerta emphasized the Port's interest in the areas of defining truck routes and developing light industrial facilities. Dr. Coleman reiterated the need for the community's involvement in the process, as well as the Port's obligation as neighbors to this community to assist in the economic development of the area.

There being no further business, the meeting adjourned at 11:05 a.m.

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M I N U T E S

The San Francisco Port Commission met in regular session at 10:00 a.m on Tuesday, May 23, 1989.

1. ROLL CALL

PRESENT: Anne Halsted, President
Dr. Arthur Coleman, Member
James M. Bouskos, Member
Douglas F. Wong, Member

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ABSENT: James R. Herman, Vice President

2. APPROVAL OF MINUTES

The minutes of the meeting of April 26, 1989 were approved by motion of Commissioner Bouskos, seconded by Commissioner Wong, carried.

3. EXECUTIVE DIRECTOR'S REPORT

Mr. Huerta's report to the Commission covered three items: his trip to Asia accompanying the Mayor; activities of the Strategic Task Force; and an update of Port preparedness in the event of an oil spill. President Halsted, Commissioner Wong, and Mr. Huerta all part of the Mayor's delegation traveled to Taiwan, Hong Kong, Shanghai, Beijing, Tokyo, and Osaka for the purpose of selling the San Francisco Bay Area as a place to do business for Asian companies, as well as to promote the products and services of San Francisco. Overall the delegation felt it was a valuable trip on a regional level. From the Port's view, much was learned about our sister ports of Shanghai and Osaka, as well as the ports of Keelung. and Hong Kong. It was interesting to learn that the strategy of virtually all Asian ports is based on very ambitious land reclamation to develop terminal areas and new facilities pointing up a striking difference in the environmental regulations under which our ports operate. Calls were made on two shipping lines - Cosco and Evergreen. Mayor Agnos participated in the Evergreen discussions regarding the Port tunnel project and railroad access and resulted in a very productive meeting. Discussions with China Ocean Shipping Company included the possibility of expanding services to San Francisco in light of Cosco's entry into the intermodal business. Cosco is currently reviewing its ship rotation, which ports it will call first and last on the Pacific coast, intimating the basic issue would be the amount of cargo to be developed in San Francisco, particularly since the major population center is south of San Francisco.. The Port's response is that intermodal traffic is really discretionary as to which port to use and the Port of San Francisco is one day closer to the Orient than Los Angeles and Long Beach.

In Tokyo, a meeting was held with principals of Maysukyu Company. This is a company which is interested in the possibilities of investing in the proposed Fisherman's Wharf seafood center. Discussion focused on the financial characteristics of the deal and the structure under which the Port wishes to work. The Port stated it desires to implement the concept as a very specific program as it has been developed in some detail over the past year.. Mr. Huerta expressed his opinion that this company has a definite interest in this project as a fish market but are looking for ways to improve the cash flow of the project. They will be doing further evaluations and will continue to be in contact with us.

Mr. Huerta next outlined the emergency procedures which would be undertaken in the event of a major oil spill in the San Francisco Bay Region and in particular the part which the Port would play in these procedures. The Coast Guard Marine Safety Office in Alameda has primary responsibility for cleanup response and control, but an oil spill cleanup would necessitate the collaboration of many governmental agencies, including Department of Fish and Game, California Highway Patrol, Regional Water Quality Control Board, Army Corps of Engineers, Environmental Protection Agency, U.S. Geological Survey, and U.S. Fish and Wildlife Service.

Mr. Huerta said that there is one oil handling facility within the Port located at Pier 70 which is under lease of to PG&E for discharge of fuel oil for the Potrero power plant. Rules, procedures and methods of operation of the facility have been established to ensure a safe and efficient operation. Should a spill occur, the Coast Guard and CLEAN BAY would be notified, as well as the Port. On-site inspections of the mooring of tankers and barges are conducted periodically by the Port to ensure that proper USCG mooring procedures are adhered to. Our lease with PG&E includes a special "Environmental Hold Harmless" clause indemnifying the Port from violations of environmental quality laws, acts, regulations or rules. In light of the recent disaster at Valdez, new state and federal legislation is being considered and the Port must remain cognizant of these changes in order to keep Port policies current.

President Halsted thanked Mr. Huerta for updating the Commission in the matter of the Port's readiness in the event of an oil spill, and admonished that we at the Port must be certain that whoever the responsible parties are the procedures and standards continue to be adhered to.

PROPERTY & FINANCE

Mr. Conrad presented several financial reports for Commission review; sales and rental report through February, 1989; accounts receivable through April 30, 1989; refunds and allowances in the amount of \$90,404, through March 31, and refunds and allowances in the amount of \$17,814 through April 30, 1989.

- . ACTION: Moved by Commissioner Coleman, seconded by Commissioner Wong, carried.

Dr. Coleman inquired about changes in our revenue-sharing agreements, and Mr. Stone explained that through the common tariff under which all thirteen California ports operate, an overall increase was taken on dockage and wharfage, with each port individually negotiating its particular exception so that although percentages remain the same, the return is higher.

b) The Commission next reviewed and approved one non civil service appointment for April.

c) Licenses 11452, 11466, 11469, 11470, for properties located in the Ferry Building Arcade, Pier 40, 80, and Pier 50 Administration Building, were reviewed and approved by motion of Commissioner Bouskos, seconded by Commissioner Coleman, carried. The Commission agreed to defer consideration of License No. 11467 to Mr. Patrick Davis, at Shed D on Pier 45 temporarily and also noted that the effective date for License No. 11471 is pending approval of the Crowley lease termination at Pier 9.

Discussion followed on the issue of three tenancies, the two Java Houses and Carmen's Restaurants, which are not subject to percentage rent by virtue of a Commission policy established in 1979. The Commission directed staff to include a provision in the license for the space at Pier 40 which would allow auditing of the sales, so that we can track exactly what is happening. Commission also asked to be kept apprised of this matter.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Coleman, carried.

d) Commission next reviewed revisions to the Port's operating budget for 1989-90 as recommended by staff. These revisions include an increase to revenues of \$590,957 and a decrease to expenditures of \$29,511. The net result of these changes is estimated revenue of \$35,375,957, estimated expenditures of \$35,041,605 and an estimated surplus for the fiscal year 89/90 of \$334,352. Following discussion, the Commission took this action.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Coleman, carried.

e) The next matter for consideration by the Commission was a request to lease office space in the World Trade Center to Dr. Frank Ranuska, and Ronald Roberts. Discussion followed on the terms of the lease, particularly with regard to the allowance for tenant space improvement. Commission also inquired about the type of uses contemplated for this space, and staff indicated these would be medical offices for Dr. Ranuska who is a psychologist. Dr. Coleman asked that staff endeavor to be more definitive in describing what type of office space and for the future be more specific in the language of the ~~language~~ *lease*. Staff agreed to this suggestion.

ACTION; Moved by Commissioner Coleman, seconded by Commissioner Wong, carried.

The next matter for discussion and review was the adoption of a new rate schedule for parking lots operated by the Port. The new rate schedule would be set at \$140 per month per space for those lots controlled by electronic gates and \$130 per month per space for other Port lots. Discussion followed on the comparative merits in terms of increased revenue of having Port operated lots to having outside operators. Staff averred that although an analysis of this aspect had not indicated that dollarwise it would be advantageous to lease to outside operators, there would be less administrative work involved for the Port. At the conclusion of this discussion, the Commission took the following action.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Bouskos, carried.

6. PLANNING, ENGINEERING & MAINTENANCE

a) Commission was next requested to approve the award of Contract 2537R to the firm of Barnes Construction Company for demolition and removal work of the existing Pier 7. Included in this contract is alternative 1, which is the repair of the reinforced concrete bulkhead wharf. The total cost of this contract will be \$6,287,389. Barnes Construction Company is a certified minority and locally owned business. The award of this contract was approved by the Human Rights Commission following a protest by another of the bidder firms based on an alleged failure by Barnes to acknowledge receipt of all addenda. A ruling by the City Attorney's office resulted in their recommendation to deny the protect and award the contract to Barnes Construction.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Wong, carried.

b) Mr. Vello Kiisk presented a request to the Commission to issue a Request for Proposals to consultants for the Strategic Plan. He affirmed that at the last meeting with the Advisory Committee, it was suggested that more emphasis be given to the constraints under which the Port must operate, as well as identifying the tenancies which are under 66-year lease. These changes will be incorporated into the RFP prior to issuance, and the HRC will also review the document for compliance. Mr. Kiisk expressed his appreciation to the Advisory Committee and acknowledged its invaluable contribution and effort to achieving a strategic plan for the Port. . President Halsted reiterated his statement, and commented that this was a very dynamic group and thanked each of them for their enthusiasm and interest.

Mr. Kiisk indicated that the schedule for receiving proposals is June 26, 1989, with interviews for successful proposers set for July 17, and the recommended consultant would come before the Port Commission on August 9 for your approval. Actual work would begin within the next month, and it is anticipated the study will take about six months.

ACTION: Moved by Commissioner Bouskos, seconded by Commission Wong, carried.

7. LEGAL

An executive session for discussion of two matters was next requested by City Attorney Clay under the authority of California Government code Section 54956.9, subdivision (c) and (a). Session convened at 11:15 and the members reconvened into open session at 11:25 a.m. It was stated that application for leave to file late claim by Marilyn Salmi, in a matter of pending litigation, was denied by the Commission. Settlement in the Port's claim against Stevedoring Services of America was approved by the Commission.

There being no further business, the meeting adjourned at 11:35 a.m.

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M I N U T E S

The San Francisco Port Commission met in regular session at 10:00 a.m on WEDNESDAY, JULY 12, 1989.

1. ROLL CALL

PRESENT: Anne Halsted, President
Dr. Arthur Coleman, Member
Douglas F. Wong, Member

ABSENT: James Herman, Vice President
James Bouskos, Member

2. APPROVAL OF MINUTES

The minutes of the meeting of June 28, 1989 were approved by motion of Commissioner Coleman, seconded by Commissioner Wong, carried.

3. EXECUTIVE DIRECTOR'S REPORT

Mr. Huerta informed the Commission that ten responses were received to the Request for Proposals for the Strategic Plan, and will be evaluated by the evaluation panel over the weekend. Following this, questions will be prepared for each respondent, and a short list of the proposers will be invited to interview. Mr. Huerta suggested that such a strong response to our RFP will afford us a good choice. In other areas, Mr. Huerta reported on his participation in the newly formed California Transportation Directions Working Policy Committee. This committee will report to the Governor on the transportation issues which will be facing this state in the future. As the single port representative among mass transportation advocates and environmental groups, Mr. Huerta's role will be to ensure that the interests of the port industry around the state are served. He said it was clear that many of the committee were not familiar with some major concerns of ports, such as maintaining road access and assuring truck traffic movement, and it will be important to make these issues known.

Mr. Huerta congratulated the public relations department and the maritime department for its new "ad" campaign which kicked off with a full page ad on the back cover of the Chamber of Commerce magazine. President Halsted commented that she also enjoyed the article about Mr. Huerta on the preceding page.

PROPERTY & FINANCE

In Mr. Conrad's absence, Mr. Kutnick presented one financial report, the Revenues and Expenditures Summary ending May 31 for the Commission's review.

Ma. Schimke then presented the Commission with a request to terminate the Crowley Maritime Corporation lease at Pier 9. This request had originally been submitted and approved by the Commission in April. Since that time the Board of Supervisors requested the Port to renegotiate the terms of the termination with Crowley to lessen any negative economic impact on the Port's cash flow. Staff therefore asked that the Commission approve a resolution rescinding Resolution no. 89-42 and authorize the Director to forward Resolution No. 89-56 to the Board of Supervisors to terminate the Crowley Maritime Corporation lease with the Port, conditioned that Crowley will guarantee three months of current rent, less any rental received by the Port for the vacated space within three months after the effective termination date.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Wong, carried.

5. MARITIME

6. PLANNING, ENGINEERING, MAINTENANCE

Captain Osborne reported that in an effort to modernize the facilities at Piers 94 and 96 the Port is proposing to underground utility lines in the container yard. The cost of installing the power and communication ducts and underground enclosures is estimated at \$570,000, installing new underground cabling, switching and protection system, together with removal of portions of the pole line is \$450,000. The total cost including contract cost and PG&E's cost is estimated at \$1,021, and funds for this work are available. Staff will advertise for competitive bids for this work immediately.

7. LEGAL

8. NEW BUSINESS

Dr. Coleman addressed two matters. The first has reference to the functional role of the Commission, and opined that a commission cannot set policy in a vacuum. He deplored that paucity of communication and exchange of information between staff and the Commission. Aboveall, Dr. Coleman emphasized the need for involvement by the Commission, not in terms of daily operation but at least as a resource for staff for those reasons that each Commissioner has been appointed, whether it is for his or her expertise in business, politics, community or racial involvement.

Secondly, Dr. Coleman expressed serious concern in a matter involving a Port tenant and the Property Department which he characterized as a "revolving door" affirmative action policy. Dr. Coleman intimated that overall the Port has not had a good image with regard to minorities until the last ten years, and only recently has it really made any significant

strides in bettering its image from the standpoint of management, maritime, and race relations. In this particular tenant's situation, Dr. Coleman averred that much of the difficulty is with the Property Department's handling of the matter, rather than the tenant's inability or disinclination to cooperate. He therefore urged that a full investigation be given the Commission of this matter, cautioning staff that there sometimes exist extenuating circumstances beyond the control of each of us that must needs be taken into account, in order to obtain the whole picture.

President Halsted asked the Director to investigate the situation and report on the matter at the earliest opportunity.

The next matter under this category was a member of the public, Mr. David Pilpel, who expressed his concerns to the Commission about retaining the Port's railroad access, especially in light of the activities concerning Embarcadero Roadway. Mr. Pilpel said he has been working independently with Public Works Department on retaining trackage in the City, and cited two specific areas in which the Port has an interest in keeping rail access, the north container facility at Pier 80 and along the Embarcadero to Pier 30/32 facility. He specifically addressed the possible loss of track at Army Street and Napoleon, due to the building of a wastewater treatment facility at this location, and urged the Port to establish communication with DPW to preclude this from happening.

President Halsted thanked Mr. Pilpel for his inThe Commission

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MINUTES

The San Francisco Port Commission met in regular session at 10:00 a.m. on WEDNESDAY, JULY 26, 1989.

ROLL CALL

PRESENT: Anne Halsted, President
James Herman, Vice President
Dr. Arthur Coleman, Member
Douglas F. Wong, Member
James Bouskos, Member

ABSENT: None

APPROVAL OF MINUTES

The minutes of the meeting of July 12, 1989 were approved with two minor corrections on page 2, 2nd paragraph "Ms" instead of "Mr." Schimke, and item 6, line 7 "...PG&E's cost is estimated at \$1,020,000" instead of "\$1,020".

EXECUTIVE DIRECTOR'S REPORT

Mr. Huerta reported on various ongoing projects and their status as follows:

Embarcadero Parkway Improvement Project - The Mayor and the Board of Supervisors had asked the Chief Administrative Officer to take over the oversight of the Embarcadero Parkway Improvement Project and coordinate the responses, the activities of the various City agencies that are involved. Mr. Huerta felt this was a positive step and raises the discussions of this very important project to a higher level. There will be a meeting of the various department heads involved to clarify for everyone's benefit what the objectives of the project are. The project seems to be moving along pretty nicely.

Fisherman's Wharf Seafood Center Project - We are proceeding with the environmental documentation which is being presented to City Planning Office of Environmental Review and anticipate finalization within the next few weeks. Then it will go into public comment hearing and City Planning will take what action is necessary on the project.

Mission Bay - Mr. Huerta mentioned that he reported to the Commission sometime ago the status of negotiations between the Port and the City with respect to land transfers and land swaps. From the Port side he stated that negotiations have now proceeded to a point where we are waiting for the City to close their deal or at least bring it further along before the Port can go any further because everything that we have come to near conclusion is subject to the City deal.

Tunnel Improvement Project - On the issue of the tunnel improvement project, we were awaiting counterproposals from Southern Pacific. These counterproposals were received a few days ago and are now in the process of being analyzed and it looks very promising. On Southern Pacific side it looks very positive as the issue is now involved at its highest official level. This project should also be finalized soon.

And finally Mr. Huerta wished to remind the Commission to recognize former Acting Executive Director, Mr. Kiisk, for his good work. A few meetings back Mr. Kiisk announced his resignation and this will be the last Commission meeting that he will be participating at.

On a query from President Halsted regarding the Pier 39 Aquarium project, Mr. Huerta responded that the Dept. of City Planning and City Planning Commission have approved the Aquarium project for Pier 39 so it will go to the Port Commission for approval of a lease amendment. Staff is currently reviewing the status of the leases and holding final negotiations with Pier 39. A timetable is being prepared as to when to expect to bring the matter to the Port Commission for approval and the action to be taken would be on the lease amendment.

President Halsted recommended that a motion be passed commending Mr. Kiisk for his contribution to the Port particularly during the year when he served as Acting Port Director and thanking him. All Commissioners concurred and said Mr. Kiisk will be sorely missed. Dr. Coleman added that he receive the highest merit award in the resolution which will be presented to him at an appropriate time at an appropriate occasion.

As a final item, Mr. Huerta reported that the Fisherman's Wharf Port Tenants Assn. has requested the Port to remove certain parking meters which some of the sidewalks vendors have been using all day and creating pedestrian problems, traffic congestion etc. A program to remove certain meters in the path of the greatest problem and turning it into a loading parking zone is in process. The Police

Department is being asked to help enforce the 10-minute parking as a means of alleviating the congestion problem. Revenue loss to the Port in removal of these 12 meters would be negligible since the Port is not receiving what is due because they are being plugged all day.

In regard to items addressed in the previous meeting by Dr. Coleman, he wished to defer the matter to the next meeting in view of information provided by Mr. Huerta which he's studying.

PROPERTY & FINANCE

Mr. Conrad presented the Commission with three financial reports for approval. First was Sales and Rent Report through May 31, 1989. Overall Sales & Rent were up 2% (\$ 1.4MM), Fisherman's Wharf Restaurants up 4% (\$1.7MM). Other Retail was down 13% (-\$1.6MM). The downward figure was impacted by two discontinued operations still carried. Second item was status of Accounts Receivable through June 30, 1989, which seems to be stabilizing to 5 to 6 accounts for non-legal and 3 to 4 accounts for legal. A majority of these accounts are in facility damage claims and a procedure was finalized with Lisa Clay which hopefully will expedite the resolution of facility damage claims. The third item was Refunds and Allowances through June 30, 1989 which total \$120,512 of which \$48,700 is for Refunds and Allowances, \$34,105 for Billing Adjustments.

ACTION: Moved by Dr. Coleman, seconded by Commissioner Bouskos, carried.

Next item for approval were 8 leases. Mr. Conrad stated that as per Commission's request, these are presented in a new format with more detailed information for their guidance.

First lease was for 2 years with Kenzo Handa & Ron Lutsko, at Pier 1-1/2 Bulkhead (North side of the building facing the Embarcadero), at \$859 per month for architectural offices (this architect is putting about \$5,000 worth of improvements).

Second lease was for 2 years with the Vietnamese Fishermen Assoc. at Pier 45, Shed B, for \$774.40 plus \$100 minimum wharfage per month, for fish handling, brokering and commercial fishing, with an early termination clause for Seafood Center construction commencement at Pier 45.

At this time Mr. Pat Flanagan of the Fisherman's Wharf Tenants Association addressed the Commission and reiterated his desire for the continuance of cooperation with Port staff on leases that involve Pier 45 rental issues and asked that the Fisherman's Wharf Tenants

Association be provided with copies of leases being issued particularly those on Pier 45. Mr. Flanagan added that there had been two meetings with Port staff to discuss means of increasing Port revenues through the rental of Port stringers and asked that these meetings be carried on as a move in the right direction.

The third lease was a month-to-month with SBMA, Ltq., Ltd. located at Seawall Lot 333 in the Pier 40 area for \$550 per month for construction usage.

The fourth lease was for 2 years with Bundox Restaurant, Inc. located at Pier 7 and 9. (the trash compactor will be located on Pier 7 and the linen storage on Pier 9) The Port had not in the past rented space for their trash and dirty linen, but now are, at \$50.80 a month. This permits tenant to comply with BCDC requirement that garbage and dirty linen areas be enclosed.

The fifth lease was for one year with S.F. Flying Carpet Travel located at the World Trade Center for \$613.60 per month (increased by \$127.44) and contains a 30 day termination provision per Continental Development project.

The sixth lease was for one year with Stockton Terminal Co. located at the World Trade Center, Suite 262, at \$497.90 per month to be used as transportation company office. This lease contains a 30 day termination provision per Continental Development project.

The seventh lease was for two years with Patrick I. Davis at Pier 45, Shed D at \$817.60 per month for shed space and stringer space, with an early termination clause for Seafood Center construction commencement at Pier 45.

The last lease was a five year lease with Rubin Glickman & Associates located at the Agriculture Building, as a law-real estate development business office. Mr. Glickman expects to put about \$33,000 in improvements amortized over a 5-year term. In the event the property must be recaptured pursuant to the Continental Development project, lease may be terminated by Port on 30 days notice. Port is also allowing a one-time allowance for painting not to exceed one month's rent.

ACTION: Moved by Commissioner Bouskos, seconded by
Commissioner Coleman, carried.

President Halsted urged staff that they continue meetings with Pier 45 tenants.

It was agreed that Executive session be deferred to the end of the agenda. The following addressed the Commission on their views in regard to the potential development of a ball park in China Basin.

Mr. Jim Firth speaking on behalf of San Franciscans for Planning Priorities (a group brought together by people who are concerned about potential development of a stadium in the area of the China Basin) voiced strong opposition to the development of a stadium in the China Basin rea. He felt that if Port property were declared as surplus to an outside developer, said property should be offered by bid to achieve the highest dollar value and that the Port property in question fall under BCDC jurisdiction and any transaction regarding this site be postponed until a public hearing could be completed.

Mr. Pat Flanagan voiced his concern that Port properties and City properties should come under a comprehensive plan: urban planning and economics. He commented that the City has a great habit of taking Port assets into the general fund. He urged the Commission to consider the need for the City providing the Port with adequate operating funds and contingency funds to rebuilt the Port's infrastructure.

MARITIME

Mr. Stone presented the next item for approval of a five year extension of the management agreement with Marine Terminals Corp. at Pier 27/29 with adjustments in compensation. Average annual revenue to the Port over the last five year period was \$448,000. Under the new agreement after revenue sharing is projected at \$528,000. After two short extensions, this agreement expires on July 31, 1989. In this new agreement is a deletion of 31,000 sq. ft. from the area of service for Marine Terminal and provides rent credits for up to \$50,000 of any added costs to handle cargo at the facility which can directly be attributed to the loss of that space. If MTC can demonstrate that the actual costs are more than \$50,000 and there is an operational hardship on MTC and these factors jeopardize the use of facility by current and potential shipping lines, then the Port will return the space to MTC.

The 31,000 sq. ft. will accommodate the growth needs of the tenant next door (Crent Container who will use the facility for storage of cardboard boxes). MTC has reluctantly agreed to let them have the space on a month-to-month basis and also indicated that they may need it back by the end of the year.

Commissioner Herman commented that it is not viable for a maritime user, who use their space effectively to be shared with a non-maritime user. Although this may be a temporary solution and was sympathetic with Crent's problem, he felt that it didn't make much sense to put the squeeze on a maritime user to accommodate a non-maritime user and our priorities and objectives should be to do everything we can for the maritime customer who has increased the Port revenues handsomely over the past years and appears will continue to do so.

Because of their substantial growth Mr. Conrad stated that Crent Container principals had approached the Port last September in that they needed more space. They indicated that if they couldn't obtain additional space, they may have to relocate outside the City when their lease expires. Port staff has been looking for other alternatives without success and the only feasible space at present is the 31,000 sq. ft. in question. The only other alternative is to offer them vacant land and have them build their own facilities.

Dr. Coleman, who also shared Commissioner Herman's views that a maritime user should have precedence over a non maritime user, queried if it is possible for Maritime Terminal to be allowed to sublet the 31,000 sq. ft. under its lease and thus, the issue would be more under their control.

In response to Commissioner Herman's views, Mr. Huerta acknowledged the very difficult situation. The main purpose was to try to accommodate new tenants and at the same time generate more revenues for the Port. The leasing of the 31,000 sq. ft. to Crent since MTC was not fully utilizing the space today, was to buy Port time while looking for another location for Crent as there is nothing available today. In response to Dr. Coleman's question of MTC subletting the space, from an operational standpoint it would be very difficult for the Port if it is not part of a lease/sub-lease formula since it would not be able to consider situations that should be brought before the Commission such as the above.

After further discussion, President Halsted commented that this accommodation may work for a short period of time, but in the long run may not work anyway if no alternative accommodations can be located.

Mr. Huerta proposed an alternative course of action whereby the Commission could pass a resolution with a proviso to direct the staff to embark on a more thorough search of an alternative space for the non maritime operation, working with the Mayor's office of Business and Economic Development and then report back to the Commission in a short period of time, perhaps 60 days. At that time the Commission may elect to reconsider its position.

This issue needs to be resolved today as the Marine Terminal agreement expires the end of July and whatever agreement that is passed by the Commission has to be filed with the Federal Maritime Commission. In view of this it was deemed appropriate to extend the agreement another 60 days from July 31 to September 30, 1989. In the meantime there should be a concerted effort to look for another site for Crent.

Dr. Coleman moved that this matter be put off for 60 days whereas a third extension of the agreement be entered as of July 27, 1989 and the term be for a period from July 31, 1989 to September 30, 1989. Per legal advice, it was decided to amend the resolution to include approval for 60 days of the third extension of the management agreement between Marine Terminals Corp. and the Port without making any substantive changes and to file the extension with the Federal Maritime Commission.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Bouskos, carried.

Commissioner Bouskos and President Halsted commended staff for continuing to find a resolution of this issue.

ENGINEERING:

Mr. Cliff Jarrard presented for Commission approval the declaration of an emergency to do repair work on the ramps on Pier 35. Ramps have deteriorated to the point where they have created a tripping hazard to the public. The Administrative Code allows the director, upon advice of staff, to order work to be done prior to the actual emergency approval by the Commission. As such, bids were taken for emergency work to be performed. Port Maintenance has already started repair work on the ramp substratum; the contractor will begin work today on the floor coating and should be completed by August 9. The total cost will be \$6,832. Commission approval of the declaration of emergency is requested so Port can legally pay the contractor for their work.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Coleman, carried

NEW BUSINESS:

Dr. Coleman brought up the matter of the Rusty Scupper Restaurant lease where he understood there would be a disco and asked staff to investigate. Staff came back and indicated that it would be a dinner dance place. Dr. Coleman indicated that he is aware of some of the concerns of the tenants and property owners in that area in view of the fact that dancing probably won't stop before 1:45 a.m.

On the above subject, Mr. Leo Borregard and Mr. Fred Alerdas, both representing the Telegraph Terrace Homeowners Assn. and the adjacent areas addressed the Commission in opposition to the granting of a dance hall permit by the Police Dept. and the Board of Permits and Appeals to Bentleys (the organization that has taken over the old Rusty Scupper premises) despite protests by residents in the area.

They deemed the issuing of a dance hall permit as an inappropriate use in a residential area, particularly the hours till 2 a.m., 7 days a week. Their concerns were that the dance hall because of the late closing hour would attract an unwelcome group of people, loud noise, vandalism, petty thefts, etc. In view of these concerns they asked that the Port take the position that the Port's lease provides for restaurant use only and not a dance hall use. However, Port counsel's advice was that such an interpretation may not be consistent with the lease. However, if at such time there are factual incidents or the situation really got bad, some kind of notice could be sent to Francisco Bay office and possibly enforce a nuisance violation.

President Halsted thanked the gentlemen for voicing their concerns and appreciated being advised and alerted to the situations that may arise.

Dr. Coleman recommended passing a resolution commending Nancy Pitt, former Port Public Relations for the past ten years, for her services and dedication. The Commission unanimously approved passing this resolution to express their appreciation and thanks.

LEGAL

The Port Commission met in executive session for the purpose of discussing a lease of certain property owned by the Port in the area of Pier 46-B to either Spectacor Management Group or a non-profit developer. The executive session was authorized pursuant to California Government Code Section 54956.8

The Commission has authorized the Executive Director to proceed with lease negotiations for the Pier 46-B site, with the negotiations to be conducted within certain minimum financial and operational parameters set forth by the Commission.

There being no further business, the meeting was adjourned at 12:30 p.m.

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M I N U T E S

The San Francisco Port Commission met in regular session at 10:00 a.m, Wednesday, August 9, 1989.

1. ROLL CALL

PRESENT: Anne Halsted, President
James M. Bouskos, Member
Dr. Arthur Coleman, Member
Douglas F. Wong, Member

ABSENT: James Herman, Vice President

2. APPROVAL OF MINUTES

The minutes of the meeting of July 26, 1989 were approved by motion of Commissioner Coleman, seconded by Commissioner Bouskos, carried.

3. EXECUTIVE DIRECTOR'S REPORT

Mr. Huerta announced that the groundbreaking ceremonies for the Pier 7 open space project were scheduled for noon at the pier. Mr. Huerta noted that it has been a long-running, arduous task getting this project from the drawing board, and the efforts of many individuals and agencies over the years are involved. He said that funding for this project is a cooperative effort by the Port, Recreation and Park Department, Wildlife Conservation Board, Land and Water Conservation Fund of the National Park Service, and a California State Block Grant. The Mayor will be present to speak on this occasion, as will President Halsted, who has been an especially ardent supporter in this endeavor. Mr. Huerta invited everyone to come to the groundbreaking ceremonies.

Regarding the selection of the consultant team for the Strategic Plan, Mr. Huerta reported that interviews have been conducted with the four short listed finalists, that scoring has been completed, and a final selection will be forthcoming within the next week or two.. The four teams provide very different approaches to strategic planning, said Mr. Huerta. The timetable projected by the teams for completing the strategic plan is 3 to 9 months.

In other areas, Mr. Huerta informed the Commission that recently he participated in a video taping of the SPUR REPORT debate on public television focusing on the dredging issue. Mr. Huerta opined that this issue is really a regional matter, and not just the problem of one port.. United Anglers Association addressed one aspect of the matter, and Mr. Huerta expressed some of the concerns relevant to the ports, pointing out

that it is important to balance all of the issues. The Corps of Engineers and the regulatory agencies have the responsibility to seek the best environmental solution reflecting the lowest cost, but one that will also provide the best economic benefit. The director suggested that a coalition be formed linking all these divergent concerns to try to develop support in our Congressional delegation or at the federal level to look at this issue.

In response to the Commission's request, the director investigated in the matter of a minority business tenant to determine that all possible avenues had been explored before legal remedies were begun. Mr. Huerta reported that staff had extended every possible assistance to the tenant before initiating legal procedures, and that a business plan is being worked out now with the tenant which may resolve the problem. He indicated that he would keep the Commission apprised of the situation.

Dr. Coleman thanked Mr. Huerta for updating the Commission in this matter, and reiterated his conviction that staff in attempting to do their job, may be hampered by a lack of support or direction from the Commission. Therefore, he suggested that an advisory panel of two Commissioners be available to the Director for consultation and assistance, particularly in the areas of affirmative action. A brief discussion followed, and Commissioner Bouskos commented that such a committee would be a bridge to the community and agreed this would be a good idea.

4. PROPERTY & FINANCE

a) Mr. Conrad asked for Commission approval for personnel appointments and removals occurring in the month of July, and the Commission gave its approval.

b) The Commission reviewed one financial report, a statement of revenues and expenditures for the period ending June 30, 1989. Mr. Conrad gave a brief explanation of the variances between actual and projected budget figures under departmental categories. He indicated that the final surplus fund prior to supplementals or carryovers will be \$2.4 million. A brief discussion followed regarding any anticipated variances for the current fiscal year budget, and the Commission was assured that staff continues to refine these projections throughout the year.

c) Commission was asked to approve five property leases for locations at SWL 344, Pier 80 Administration Building, SWL 349, Bldg. 2, SWL 340, and in the World Trade Center Space 202. Mr. Conrad gave a brief explanation outlining the details of each lease, and offered to answer any questions from the Commission. There being none, the Commission took the following action.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Wong, and carried.

Following this, Commissioner Coleman asked Mr. Conrad for information regarding a licensee of the Port, H & H Ship Service, with the explanation that there is considerable concern in the Hunters Pt./Bayview community about the possibility of relocating this operation which is a hazardous waste disposal facility within their area. Mr. Huerta acknowledged that this firm is a long time licensee with the Port, and performs an essential service both for the Port as well as the City. H&H is within the Mission Bay Plan and the City is presently trying to decide where to relocate them. Mr. Huerta said this is probably the single most difficult issue the Port will have to deal with in the context of Mission Bay because on the one hand, it is our concern that the function performed by H&H continue to be performed, while recognizing that relocating this facility raises all sorts of planning issues. The Port and the Planning Department are sensitive to the difficulties of this issue and the director promised to keep the Commission current in this very complex matter.

5. MARITIME

6. ENGINEERING, PLANNING, MAINTENANCE

The Commission next reviewed a request to provide additional parking spaces at the Pier 80 North Container Terminal. As explained by Captain Osborne, longshoremen working at this location are restricted to outside parking, and must compete with tenants of the Pier 80 Administrative Building. In order to respond to their needs, staff is proposing to vacate a portion of Maryland Street from Army Street north, with an easement for ingress and egress by adjacent property owners.

Once the Commission approves, the next step in the process will be to go before the Board of Supervisors for a full public hearing. At that time, all property owners, tenants, and other users will have the opportunity to be heard on this matter.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Coleman, and carried.

7. LEGAL

8. NEW BUSINESS

President Halsted spoke on the art work which has been selected for placement at the Pier 7 open space project, indicating she has some serious reservations about the appropriateness of the sculpture that has been chosen. President Halsted expressed the wish that the entire Commission have the opportunity to review this very integral and important part of the project before any decision is made. Discussion ensued since there seems to be some confusion about who has the final word in this matter since under the Charter, the Art Commission has the responsibility for selection of art work to be placed in City agencies.

Mr. Huerta responded that there are still many unresolved questions in this regard. President Halsted said that she intends to address her concerns in writing to the Art Commission and will let the Commission and the Director know what response she receives.

President Halsted asked the Commission to adjourn the meeting in the memory of Mr. Lu Hurley, a good friend in the skies of San Francisco and a long time tenant of the Port at Fisherman's Wharf. Mr. Hurley died very unexpectedly after being hospitalized for a stroke.

The meeting closed in his memory at 11:00 a.m.

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MINUTES

The San Francisco Port Commission met in regular session at 10:00 a.m., Wednesday, August 23, 1989.

1. ROLL CALL

PRESENT: Anne Halsted, President
James R. Herman, Vice President
Douglas F. Wong, Member

ABSENT: Dr. Arthur Coleman, Member
James M. Bouskos, Member

2. APPROVAL OF MINUTES

The minutes of the meeting of August 9, 1989 were approved by motion of Commissioner Herman, seconded by Commissioner Wong, carried.

3. EXECUTIVE DIRECTOR'S REPORT

Mr. Huerta informed the Commission that arrangements are being made by the Art Commission for a presentation in order for the Commission to review the art work at Pier 7. Mr. Huerta explained that this is in response to President Halsted's concerns about the appropriateness of the sculpture to the open space theme of the pier, and to the jurisdiction of the Art Commission in selecting this piece of work for Port property. Mr. Huerta discussed the issue, stating that under the Transfer Agreement it would appear the jurisdiction for such selection would be that of the Port Commission, but that in the interest of conformity with other City agencies, the Port willingly cooperated with the Art Commission to allow the selection to be made by their committee. In response to these concerns, Ms. Regina Almaguer of the Art Commission has arranged that the artist will make a presentation to the Port Commission very shortly.

Mr. Huerta asked the Commission to designate him as a delegate to represent them at the American Association of Port Authorities conference in Tampa, Florida as required by AAPA. The Commission complied and took the following action.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Wong, carried.

In other matters, Mr. Huerta said that Commissioners Coleman and Wong have agreed to serve in an advisory capacity on an affirmative action committee to assist the director in these issues.

4. PROPERTY & FINANCE

The Commission was presented with three financial reports:

Sales and rent report for the month of June 1989
Status of Accounts Receivable for July 1989
Refunds and Allowances ending July 31, 1989

ACTION: Moved by Commissioner Wong, seconded by Commissioner Herman, carried.

Mr. Kutnick presented the Commission with the surplus estimate schedule for 1989-90, and briefly described the process involved in closing out all budget carryovers, in order to establish the budget for the next fiscal year.

The Commission was asked to consider and approve five leases for space located in the World Trade Center, Pier 30, and Building 6, at SWL 349. Following a detailed description of each lease, Commissioner Herman asked for an update on the Port's plans for Pier 30/32. Mr. Huerta responded that the Port is embarking on a strategic plan for the entire waterfront with one of the first areas to be looked at being Piers 30/32, to ensure that whatever we move forward with meets all of our interests, both maritime as well others. One of the issues still being resolved, is where to site the passenger cruise terminal, whether it will remain at 35 or be relocated to Pier 30/32. Commissioner Herman asked if the decision on a cruise terminal would be presented as a fait accompli to the Commission or would the Commission have input into the process. Mr. Huerta replied that as soon as a decision is made for locating the terminal, the next step will be to issue a request for proposals from developers, and come before the Commission with staff recommendations. Thus the action that will be before the Commission in the next few months will be a determination of a site location for the passenger terminal.

The Commission took the following action in approving the five leases.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Wong, carried.

5. MARITIME

Mr. Stone presented a request to approve a 5 year terminal revenue-sharing maritime agreement with American Niugini Shipping Company. This is a one-ship direct service line between the United States West Coast and Paupua New Guinea. Primary cargo is cocoa bean imports to San Francisco and exports of mining equipment to New Guinea. Mr. Stone explained that presently the anticipated annual volume is anticipated to be about 12,000 tons, but that a projected additional ship could more than double this revenue. Following a brief discussion, the Commission took the following action.

ACTION: Moved by Commissioner Wong, seconded by Commissioner Herman, carried.

6. ENGINEERING, PLANNING & MAINTENANCE

Commission received the recommendation of the Strategic Plan Steering Committee to approve the selection of Cresap Management Consultants to perform the planning study. The committee after reviewing 10 proposals scored four finalists against pre-established criteria. The recommendation placed this firm first and is recommending the Commission authorize the Executive Director enter into a contract for services with Cresap to undertake the Strategic plan study, at a cost not to exceed the approved \$200,000.

Mr. Huerta discussed the process involved in interviewing the prospective bidders, noting that much was involved in this evaluation process since, in his words, strategic planning is not an exact science. Emphasis is placed on what a consultant's approach will be, and also how well one feels they will work with a consultant. Mr. Huerta indicated that each of the consultant teams were highly qualified to do the study, and included consortiums led by Booz Allen & Hamilton, Temple, Barker & Sloan, and Manalytics. After final scoring, the recommendation to the Commission is to select Cresap Management Consultants. The Commission moved to adopt Resolution No.89-67 to authorize the Executive Director to proceed with the necessary steps to execute said contract with Cresap.

ACTION: Moved by Commissioner Wong, seconded by Commissioner Herman, and carried.

Mr. Huerta introduced Mr. Al DeLauro, president of Cresap Management, who spoke briefly to the Commission, thanking staff as well as the Commission for their confidence in them, and promising to deliver an excellent performance.

7. LEGAL

The Commission adjourned to executive session for discussion of the Port's claim against Commadore Helicopters. The executive session was authorized under California Government Code Section 54956.9, subdivision (a). The Commission reconvened in regular session, and the Deputy City Attorney announced a settlement had been agreed to in the amount of \$17,500.00.

President Halsted asked that the Commission meeting adjourn in memory of Commissioner Coleman's mother who died on August 20 and Elizabeth Day's mother, who died on July 22, 1989.

The meeting adjourned at 11 o'clock a.m.

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M I N U T E S

The San Francisco Port Commission met in regular session at 10:00 a.m., Wednesday, September 13, 1989.

1. ROLL CALL

PRESENT: Anne Halsted, President
Douglas F. Wong, Member
Dr. Arthur Coleman, Member
James M. Bouskos, Member

ABSENT: James R. Herman, Vice President

2. APPROVAL OF MINUTES

The minutes of the meeting of September 13, 1989 were approved by motion of Commissioner Coleman, seconded by Commissioner Bouskos, and carried. Commissioner Coleman thanked the Commission for the expression of condolence on the passing of his mother.

3. EXECUTIVE DIRECTOR'S REPORT

Mr. Huerta reported on several matters, one addressing the presence of the Matsukyu Development Corporation in San Francisco to meet with Port staff to learn more about the seafood center project at Fisherman's Wharf. The Matsukyu Group is one of a variety of developers who have expressed different levels of interest in doing the project. Mr. Huerta promised a full report on this project to the Commission in the near future.

Mr. Huerta next discussed the Port's schedule of rental rates which encompass several types of space, i.e., office, industrial, and a miscellany of other uses. Port rental rates were last adjusted in 1983 with implementation in 1985. Staff proposes to do an industrial and commercial space survey of comparable properties throughout San Francisco to determine a more current rental schedule, which will then be reviewed by the Commission, and if approved, implemented in early November.

In the matter of dredging, Mr. Huerta reported on the passage of legislation in Washington at the House level which would require the Army Corps of Engineers to fully finance a study of a proposed ocean dumping site for dredged materials, in lieu of a previously proposed cost-sharing formula to be borne by all the affected ports. Mr. Huerta commended the efforts of our lobbyist in Washington, as well as the AAPA lobbyist, for pulling this all together.

Next Mr. Huerta reported on the possibility of doing an advance refunding on the Port's 1984 bond issue, and informed the Commission that there is a possibility of saving a substantial amount of money if we are able to advance refund the Port's bond issue. Staff is currently preparing an RFP to engage the services of a financial advisory firm to work with the Port on this process.

Discussion followed on this matter regarding recent changes in tax law which could severely impair the Port's ability to accomplish such advance refunding, and Mr. Huerta emphasized that this is one of the reasons for bringing in a financial advisor.

4. PROPERTY & FINANCE

Mr. Conrad presented three leases to the Commission for space located at SWL 352, Pier 35, and in the World Trade Center. After a brief discussion, the Commission took the following action.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Wong, carried.

Commission was next asked to approve a request for a supplemental appropriation for funding a position reclassification, and this was approved by motion of Commissioner Bouskos, seconded by Commissioner Coleman.

The next item presented to the Commission was a request to approve personnel non-civil service and temporary appointments, which was approved by motion of Commissioner Bouskos, seconded by Commissioner Wong, carried.

A request for approval of a third assignment of a lease for Bounty Restaurant was presented to the Commission, and was approved by a motion by Commissioner Coleman, seconded by Commissioner Wong, and carried.

A final matter under this category was a request by the San Francisco Fair YOUTH EXPO'89 to use Justin Herman Plaza for this event, and a portion of the metered parking adjacent to The Embarcadero during the period of the fair. A brief discussion followed with the Commission taking the following action.

ACTION; Moved by Commissioner Bouskos, seconded by Commissioner Wong, carried.

5. MARITIME

Mr. Stone asked the Commission to approve an amendment to the terminal revenue sharing agreement with Transportacion Maritima Mexicana in order to assist Mexican Line in its efforts to maintain a Northern California presence by adjusting wharfage rates for cargo delivered by rail or truck from or to its Los Angeles ocean terminal. After a brief discussion, the Commission took the following action.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Bouskos, carried.

6. ENGINEERING, PLANNING & MAINTENANCE

Captain Osborne presented the Commission with a request for authorization to award Contract 2562 for undergrounding of the SFCT south terminal power and utilities to the firm of Abbett Electric. Total cost of this contract is \$569,900.00, and has HRC approval.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Wong, carried.

The final matter presented to the Commission in open forum was an informational briefing on the proposed Embarcadero Parkway project, and associated projects, in which the urban design study, parkway geometry, and the Muni light railway turnback were detailed. Captain Osborne introduced Mr. Vitaly Troyan, of the Bureau of Engineering and Ms. Peg Divine, Project manager, who were available for questions. The projects include five different projects: the ramps from I-280 roadway, Muni turnback, Market St. north and south, Muni extension to Mission Bay, and the F-line to Fisherman's Wharf. The Bechtel Urban Design Study focused on improving access to the Bay, while accommodating all modes of circulation without compromise to quality or capacity, making The Embarcadero more attractive and enhancing property investments, while linking district communities along The Embarcadero.

Following the detailed presentation, Commissioner Bouskos inquired about the impact of revenue loss to the Port, as well as what is being planned to compensate the Port for the loss of garages and parking lots.. These issues are both integral to the Port Commission's approval of this project. Commissioner Bouskos strongly urged staff to convey the message that the Port will require replacement for Port lands and parking facilities.

Further discussion followed in regard to traffic patterns, pier access for truck traffic, pedestrian walkways, bike paths and green belts. In this plan, there will be thirty synchronized traffic signals along The Embarcadero. It was pointed out that pedestrian crosswalks are designed to improve the safety conditions along this corridor.

In conclusion, Captain Osborne affirmed that the Commission retains the right of final approval of this project, which Commissioner Bouskos characterized as having the Port's parking plan approved in final form by the City prior to any Port Commission approval to this project. Director Huerta interjected that his staff is at work on the parking issue with City Planning and the Redevelopment Agency, and is very cognizant of the Commission's concerns while recognizing that there are certain reasonable limitations to seeking highest and best return for Port's losses.

7. NEW BUSINESS

8. LEGAL

The Commission withdrew to executive session at 11 a.m. for discussion of CCSF v. Continental Development Corp., San Mateo Superior Court No. 306-225. which is a matter of pending litigation, and is authorized under California Government Code Section 54956.9, subdiv.(a). At the conclusion of the closed session, the Commission meeting was formally adjourned at 11:51 a.m. by motion of Commissioner Coleman, seconded by Commissioner Wong.

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M I N U T E S

The San Francisco Port Commission met in special session in Suite 3100 of the Ferry Building at 10:00 a.m. on, Monday, September 25, 1989.

1. ROLL CALL

PRESENT: Anne Halsted, President
James R. Herman, Vice President
Dr. Arthur Coleman, Member
James M. Bouskos, Member
Douglas F. Wong, Member

President Halsted opened the special meeting of the Port Commission by reading the agenda for September 25, 1989. In response to a request for proposals issued by the Port, three proposals have been received and will be presented for review by the Commission. Each developer will have twenty to thirty minutes to present his proposal. At the conclusion of all presentations, Mr. Huerta will make a staff recommendation to the Commission of the developer to build the sailing center. Public testimony will follow Mr. Huerta's recommendation.

Prior to the start of the presentations, Dr. Coleman disclaimed acceptance of staff's report and recommendation and further assured each developer that he would receive and review each proposal with an open and unbiased point of view. President Halsted opined that this was also the position of the rest of the Commission, and that the staff's recommendation must be viewed only as the staff's, and must not be construed to be that of the Commission.

Mr. Huerta next introduced a brief synopsis of the process, stating the Port's primary goal as articulated in the RFP is to develop a high quality project on the site of Piers 24/26 which will combine a design for promoting sailing and yachting as major business and recreational outlets, and the highlighting of valuable cultural, sporting and educational resources provided to San Francisco by these industries. (Excerpts from the Development Goals, Objectives and Evaluation Criteria, page 2, 3, 4 of the staff report are referenced and hereby made a part of these minutes.) Mr. Huerta next introduced the leaders of the three teams: Mr. Robert Scott, Gateway Pacific, Mr. Ryland Kelley, International Maritime Center, and Mr. Redmond Kernan, San Francisco Sailing Center.

Deputy City Attorney Eleanor Elrod was called upon to detail the steps to be undertaken to get the yachting center through the drafting, regulatory review, and approval processes. Mrs. Elrod read a prepared statement which by reference is made part of these minutes, and in part stated today's meeting to be a formal presentation to the Commission and the public of three proposals and a recommendation of one of these developers, with no formal action being sought at this date of the Commission.

On September 27, the Executive Director will request the Commission to authorize him to formally offer to negotiate with the selected developer, and within three months thereafter, the Commission will be asked to execute a development memorandum. By mid-1991 all necessary governmental approvals should have been received, and conditioned upon these approvals, in the summer of 1991 the Commission will be asked to execute a lease for the project site, said lease will then be submitted to the Board of Supervisors for approval.

Following this, Mr. Bob Scott led off his presentation for Gateway Pacific by stating that for the last three years the development of a yachting center has been his main preoccupation. Mr. Scott's proposal for an International Maritime Center combines a Pacific Rim cultural and trade center with the yachting center. Mr. Scott recounted his involvement with the 1987 Americus team effort in San Francisco which endeavored to bring this event to the Bay area by establishing an international sailing center at piers 24/26. He next introduced members of his development team, Mr. Tom Eden of Eden & Eden, Architects, who walked through the footprint of the project, Mr. Nathan Gray, Gateway Pacific Foundation who addressed the community involvement aspects of the cultural center, and Mr. Paul Mizano who spoke to the economics of the proposal in terms of the revenues the Port can expect from the Gateway Pacific proposal.

President Halsted stated she will ask each developer to explain how the sailing center portion of his project will work. In response, Mr. Scott replied that his project will create a sailing facility open to the public which will bring in events such as the Tall Ships, ProSail, the Quincentenary, all of which will be opportunities in which the public can participate.

The next presenter was Mr. Ryland Kelley, representing the firm of Hare, Brewer & Kelley and the proposal for an International Maritime Center. Mr. Kelley said he would call on his colleagues on the development team Mr. Walter Harrington, Mr. Jack Marshall, Mr. Paul Reyff, and Mr. Robert Burger to talk about the HBK concept for developing a major new yacht harbor at the site of Piers 24/26. Mr. Kelley noted their proposal is designed to accommodate large or mega-yachts calling for a protected harbor to be created at the site of existing Pier 24, and would replace the pier and bulkhead building with a new breakwater which would incorporate a "pneumatic wave energy conversions system". The yacht harbor proposes 50 berths to accommodate berthing of large yachts, and would also accommodate bay sightseeing tours, launch services, ferry transportation, etc. Proposed use for Pier 26 would be as a maritime center, combining mixed-use commercial and office space for maritime related businesses. Mr. Kelley emphasized that the essential element of the International Maritime Center proposal is the removal of Pier 24 thereby creating the necessary harbor area to serve the yachting and boating community, as well as the public access. Mr. Charley Criedler of Gensler & Associates spoke to the design of the project which he said was creation of a strong working harbor situation with high visibility inviting public involvement. In a closing summary, Mr. Kelley stated his objection to what he characterized as "changing the rules" of the RFP, which based on the staff report choosing the proposal with the hotel component contradicts the rules staff outlined to his team, that is, that a hotel would not be a permitted use. Mr. Kelley averred that in spite of this change in ground rules, his proposal is the best since it answers the objectives of the RFP, revitalizes the maritime activities of the Bay, and makes a strong public use statement, while conforming to the essential requirements of a predominantly maritime use.

Commissioner Halsted asked Mr. Kelley to describe how his proposed sailing center portion will function. He replied that in his development the very large turning basin would provide the space needed to accommodate sailing regattas, and races for the public's viewing. Additionally, the International Maritime Center proposal will provide berthing for the big boat series, and other events for large sailing vessels.

The developer was asked if the mega-yachts provision would also accommodate a "working stiff's" 18-foot boat, and he assured the Commission that both types could be served but that this is a design of the future and would specifically accommodate the mega-yachts of the future. Dr. Coleman asked that Mr. Kelley provide written documentation of the conversation between himself and staff on the issue of the hotel as a permitted use.

The third proposal was presented by Mr. Redmond Kernan, project manager for the Koll Company of Newport Beach, in conjunction with Bressie Company, Western Lodging, and Hornblower Yachts. The San Francisco Sailing Center proposal is a mixed-use, integrated sailing facility combining the following components: a sailing center, conference center, marine museum, retail and office space, a hotel, and public space. Mr. Kernan introduced some members of his project team: Mr. Richard Pogue, Mr. Ellis Olden, Mr. Terry MacRae, and Mr. Boris Dramov. Mr. Kernan stressed that this is a team of experience and ability, and a thorough knowledge of the regulatory and planning process, garnered after working on a number of San Francisco waterfront projects, including Pier 7. He stated that his team has diligently researched the question of a hotel as a permissible use, with the regulatory agencies and determined that since Pier 24 is a condemned pier, its removal and replacement would be permitted and would thereby provide an enlarged and enhanced harbor making a sailing center a viable opportunity. In the Koll proposal a breakwater is provided to protect the harbor and provide public access as well as a pier for Hornblower Yachts to embark and disembark its lunch and dinner cruises. Uses for Pier 26 would include a 170-room hotel, which after consultation with your staff as well as other regulatory agencies, was an allowable use. BCDC considers a hotel to be a commercial/recreation use and is therefore permissible at this site.

Kernan said the function of the harbor will not be as a place for tying up boats, but will be a place that is activated for sailing events, which is the key to the Port's request for proposals and is the key to the San Francisco Sailing Center's response. He noted that their proposal will remove Pier 24, keeping the facades of the two pierheads, and replace the building between these two pierheads in order to preserve the historic character of the Embarcadero.

Mr. Gary Jobson of the S.F. Sailing Center sailing team, congratulated the Commission on its vision in choosing San Francisco bay since it is blessed with reliable winds, and challenging currents, and many vista spots for people's enjoyment. He said it is essential for the success of this project to keep a sailing center active 52 weeks a year, and that staging a sailing event is a tall order. The hotel component is a good one, citing his own sailing experiences around the world to substantiate the need for convenient hotel accommodations. The next speaker was Mr. Terry MacRae who addressed the complementary workings of the separate

components of the San Francisco Sailing Center proposal, saying that each worked to support the other. At the conclusion of the Koll team's presentation, President Halsted posed her question to the team. Responding Mr. Jobson reiterated the need for sponsored events, high visibility, media coverage, independent organization assistance for help in problem events, all of which would guarantee a successful sailing center.

The Commission then called upon Mr. Huerta for staff's report and recommendation, and he indicated he would begin by reviewing three charts summarized each of the proposals from the different aspects of: a) response to the RFP, b) project team characteristics, c) physical and environmental attributes of each project, and d) the economic and revenue ramifications.

Mr. Huerta elaborated on the evaluation process employed by staff in determining which of the three proposals to select as the most preferred. He stated that by almost every criteria scored, the San Francisco Sailing Center proposal was unanimously recommended as the first choice of the evaluation panel. In their view, the San Francisco Sailing Center proposal offered a high caliber development project superior to the other projects, one that is creative, realistic, well thought-out project, economically secure, and responsive to public concerns.

Mr. Huerta outlined the staff report point by point, substantiating the recommendation of the San Francisco Sailing Center. He compared the proposals from the standpoint of yachting activities and harbor design, the financial feasibility of the additional project components, the compatibility of the additional project components and the overall project sensitivity to regulatory restrictions, the business offer, and finally the development team. In conclusion, Mr. Huerta stated that for all the reasons cited, he and the evaluation panel wholeheartedly recommended and requested the Port Commission to accept the San Francisco Sailing Center proposal for Piers 24/26.

The meeting adjourned at 1:12 p.m. for a brief lunch break, and reconvened at 2:05 p.m. by direction of President Halsted. The public was invited to testify on the matter of selecting a development proposal for Piers 24/26, and were advised that individual comments would be limited to 3 minutes. The list of speakers is attached and by reference is hereby made a part of these minutes. At the conclusion of public testimony, President Halsted invited each of the project team leaders for final comment, and following these brief words the meeting was adjourned at 3:10p.m.

Speakers in favor of Gateway Pacific

Mary Feller, representing Integrated Strategies
Martha Daetwyler, Oberlin Dance Company
Rita Cahill, AmeAsian Entertainment
Joe O'Donoghue, Residential Builder's Association
Dr. Julianne Malueaux, Gateway Pacific
Dr. June Thompson, The California Assn. of Student Councils and
the National Leadership Institute
David Jenkins
Brian McWilliams, ILWU West Bay Legislative Committee
Walter Johnson, S.F. Labor Council

Speaker in favor of International Maritime Center

Walter Harrington, Hare, Brewer & Kelley team

Speaker in favor of S.F. Sailing Center

Tricia James, South of Market Business Assn.
Olympic Circle Sailing

General Public

Rick Mariano, Rincon Point - South Beach Citizens Advisory
Committee
Bill Barley, citizen
M K Veloz, Fisherman's Wharf Port Tenants Assn.
Jean Kortum, Landmarks Board
Al Podesta, Podesta Divers Inc.
Fran Martin, Podesta Divers

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M I N U T E S

The San Francisco Port Commission met in regular session at 10:00 a.m, Wednesday, September 27, 1989.

1. ROLL CALL

PRESENT: Anne Halsted, President
James R. Herman, Vice President
Dr. Arthur Coleman, Member
James M. Bouskos, Member
Douglas F. Wong, Member

President Halsted convened the meeting of the San Francisco Port Commission. The first order of business was an award to former Acting Port Director Vello Kiisk for his exemplary service to the Port over the past ten years. The Commission awarded Mr. Kiisk with the Order of Maritime Merit, and conferred on him the rank of Officer, by which he joins an illustrious group of individuals who have been similarly honored. Some among them in past years were Presidents Dwight D. Eisenhower, Ronald Reagan, HRH Prince Philip, who were given the rank of Grand Commander by the San Francisco Port Commission. Mr. Kiisk expressed his sincere appreciation for the honor and mentioned that he would be returning to consultant work for the future.

Returning to the regular agenda, the Executive Director announced that the California Boating and Waterways Commission approved the Port's application for a loan to fund the harbor improvement portion of the Fisherman's Wharf seafood center. The loan is in the amount of \$3 million and we are being charged a 4.7 percent interest rate. He reported staff is moving along with other pieces of this project, and hopefully early next year this project will be moving into construction. In other areas, the Commission was invited to participate in the annual Fleet Week activities which commence on Friday, October 6. The fleet of ten ships arrives on Saturday, with the traditional parade of ships and the Blue Angels air show. The public can view the ships from the Municipal Pier at Aquatic Park. The Port will sponsor the "Carnaval in San Francisco" for enlisted men at Pier 45, and there will be a spectacular fireworks show from Pier 39 on Saturday evening. On Sunday the annual Fleet Week Challenge run will take place, ending at Piers 30/32 where the aircraft carriers and other ships will be berthed. The Secretary of the Navy will make the awards to the winners. Mr. Huerta expressed his appreciation to all of the Port tenants for their generosity in donating their time and effort in making these events so successful.

The Director reported that the barge John Barry which had posed quite a hazard in the China Basin channel both to navigation and the public has been removed through the cooperative efforts of Santa Fe Pacific.

Mr. Huerta asked the Commission to defer two items from the day's agenda, under Item 4b) lease L-11506 and the executive session for discussion of CCSF v. Alliance Underwriters Co. and the Commission so agreed.

4. PROPERTY & FINANCE

Mr. Conrad presented three financial reports for Commission consideration: Sales & Rent Report for July 1989, Status of Accounts Receivable for August 1989, and Refunds & Allowances for August 1989. Brief discussion followed with the Commission moving to approve refunds & allowances in the amount of \$92,160.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Wong, carried.

Commission next considered a lease for space located in the Agriculture Building to a tenant who is reducing the amount of square footage he leases from the Port. This space will be utilized for trial preparation work by this law firm.

ACTION: Moved by Commissioner Wong, seconded by Commissioner Coleman, carried.

ITEM 4(c) will be the final matter for consideration by the Commission on this agenda.

5. MARITIME

The Commission was asked to approve a one month extension to the management agreement with Marine Terminals Corporation located at Pier 27/29 in order to provide alternative locations for the Crent Container. Staff is continuing to work out a solution to this situation but needs more time.

Commissioner Herman said in addition that the Marine Terminals Corporation has expectations of increasing its volume of commercial cargo and is in need of that additional room.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Coleman, carried.

There being no further business under the regular agenda, the Commission moved to Item 4(c) and asked the Director for a brief summary.

Commissioner Douglas Wong said that advised by the City Attorney of a possible conflict of interest, he was disqualifying himself from participation in the Commission deliberation and decision in the Pier 24/26 issue. The Commission therefore excused Commissioner Wong from participation in this matter.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Coleman, carried.

Dr. Coleman asked for a legal ruling in the question of a tie vote, and City Attorney replied that a tie vote would nullify any action, and President Halsted reminded the Commission that three votes are required for passage on any matters.

In response to several questions raised by the Commission and in public testimony on this issue, Mr. Huerta made the following statement. First, as a follow up to Dr. Coleman's request of Mr. Ryland Kelley for documentation of a purported conversation regarding the hotel as a permitted use, Mr. Huerta informed the Commission that he had received a communication from Hare, Brewer & Kelley just that morning and after review he would provide the Commission with an update.

Additionally, in reviewing the RFP Mr. Huerta concluded that the option was clearly left open for a developer to propose a hotel. Although a hotel was not explicitly named as an acceptable use, it was not excluded as such. In checking with regulatory agencies, it was the consensus that none were ready to commit definitively yet, but they did agree that all of the proposals presented regulatory issues and none of them conformed precisely to approved City or regional planning documents.

Mr. Huerta re-emphasized staff's confidence in the San Francisco Sailing Center's financial strength to withstand some modification to its project. He also reiterated his statement that the San Francisco Sailing Center's team over all others possesses the experience and knowledge of local regulatory practices to be able to steer the project successfully through the approval process.

Mr. Huerta commented that insofar as a trade center in the project was considered, Port staff had no objection but stressed that the purpose of this project was the creation of a sailing center and deemed it important not to dilute the sailing focus nor put it at risk by other uses.

Summarizing, the Director pointed out that in the Port's overall picture, the importance of financial return to the Port cannot be too strongly emphasized. And that from this aspect, it is essential that we balance the public benefit to the San Francisco community with the financial and economic health of the Port and select the project that will increase the Port's revenue base overall while mitigating risk.

In closing Mr. Huerta stated he would stand by his recommendation of the San Francisco Sailing Center as the proposal which best answers the Port's requirements.

President Halsted began public testimony in the matter of Pier 24/26 and asked everyone who wished to speak to this issue to submit a request card. She then called for the proponents of Gateway Pacific's development proposal. The following individuals addressed the Commission in support of Gateway:

Orville Luster, who said that it would be very beneficial for the communities of San Francisco to have a venue for cultural exchange with the Pacific Rim countries.

Joe O'Donohue, Residential Builders Association, expressed his concern that staff is placing more importance on the financial return of a hotel in the project than to whether the citizens of San Francisco want a hotel on their waterfront.

Commissioner Bouskos interjected that Mr. O'Donohue was overstepping his constituency when he suggested he was speaking for every citizen of San Francisco, and felt it was unfair to criticize the staff or the Director for their recommendation.

Doris Thomas was the next speaker in support of Gateway Pacific who deemed it a thoughtful, creative and visionary project.

Lucia Bogatay, AIA, spoke as a member of the Gateway team, in support of its selection.

The next speaker Dave Jenkins, identified himself as a Gateway Pacific consultant, a longshoreman, a union official, an aide to many of San Francisco's mayors, and a dedicated and interested citizen of the San Francisco waterfront community. He was also identified as a BCDC commissioner. Mr. Jenkins said he had difficulty with the Director's depiction of the City in the role of profit-maker when clearly there are other obligations of equal importance. Mr. Jenkins also spoke of the long history of the waterfront in its labor struggles in the thirties' and asked the Commission not to participate in "the new dominant economy of the City" by turning over its waterfront to those who would bring in non-union labor and construction.

A difference of opinion followed between Commissioner Bouskos and Mr. Jenkins regarding rebuttal procedure, and after a brief exchange, President Halsted asked for a return to further testimony.

Brian McWilliams, International Longshoremen and Warehousemen's Union representative, presented a resolution signed by Walter Johnson from the AFL-CIO Labor Council endorsing the Gateway Pacific proposal. As a member of the Port Strategic Planning Committee, he said he would also support the proposal.

Speaking on behalf of the organization Save The Bay, Mr. Marc Holmes expressed serious concerns about the feasibility of all of the proposals from a regulatory aspect. Mr. David Denman, representing himself, said that after examining all three of the proposals it was his opinion that Gateway Pacific offered the greatest social value to the community. Mr. Tom Conroy, yachtsman and commodore of the St. Francis Yacht Club, spoke in favor of the Gateway Pacific.

Angela Coppola, a member of the Mayor's Task Force, president and founder of the Professional Women's Network, and as a person who loves San Francisco, spoke in favor of the Koll Company project, the San Francisco Sailing Center. Ms. Coppola felt that what is being forgotten here is the RFP asked for a proposal for a yachting center and that is what the Koll proposal has delivered. Further, that on the issue of affirmative action which everyone seems to be addressing the Koll Company has met all the requirements for affirmative action, and as to historic preservation, the San Francisco Sailing Center is maintaining the historic facades of both piers. As to addressing the social aspects and responding to community needs, Ms. Coppola said the Koll proposal will provide a foundation which will be dedicated to teaching the youth of San Francisco the fundamentals of sailing. Ms. Coppola deplored the tactics being employed by the "opposition" because they were not selected or chosen, and wished to be on record in stating these were offensive to her as a citizen of San Francisco.

After Mr. Nathan Gray read a letter from Mr Kevin Kelly presenting copies of the World Book to each Commissioner, President Halsted asked that each development team leader respond to questions.

Mr. Bob Scott of the Gateway Pacific team reiterated his statement that his proposal is first and foremost a sailing center, and with the presence of the trade and cultural center will be a viable, revenue-producing project.

Mr. Ryland Kelley, of Hare, Brewer & Kelley, for the International Maritime Center complimented all of the developers for their efforts, acknowledging that each proposal more or less achieved the objectives that the Port had outlined. Although understated in their proposal, Mr. Kelley stated that the element of public access and community use is bettered answered than the others. The design element, said Mr. Kelley, is another key to why their proposal is the best since if you are going to open up the water area, it is essential to remove Pier 24 to attain visibility and public accessibility to the water-related activities. Another key element of the need for an economic base which will be maritime oriented and will ensure the success of the project. The International Maritime Center is maritime-related, and will build the maritime economy of the

shoreline. Mr. Kelley asked the Commission to ensure that the maritime industry of this whole region is enhanced and protected by this process. He averred that his project possessed all the key elements for a successful endeavor and urged the Commission to accept his project as the best.

The San Francisco Sailing Center spokesman, Redmond Kernan, emphasized the need for a protected harbor which their project provides. He expressed puzzlement that the San Francisco Labor Council could pass a resolution in support of a project which predated the public announcement of this project. He also suggested that the members should have been given access to all the proposals, not just one. Mr. Kernan emphasized that the project is a doable one, and also a permissible one. He further remarked that should their proposal be chosen, the project will be built by the Koll Company which is a union construction firm, and the employees of the new enterprises, whether it be hotels, offices, or convention centers, will be afforded the choice of being represented by a union. Mr. Kernan said his firm is cognizant of the history of the waterfront and the labor movement on the waterfront and pledged to work with them for a successful project.

President Halsted thanked all of the development teams for their efforts, and the public as well for their interest and participation. She then stated that the Commission has requested deferring a decision on this matter until the meeting of October 25.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Coleman, carried.

President Halsted called on Commissioner Herman who thanked the Commission for acceding to his request for postponement, stating that originally he had some serious concerns about the yachting center proposal but in the interim he has become more supportive of this concept. One of the two issues which must be resolved, said Commissioner Herman, is the explicit omission of the hotel in the RFP, which in his opinion preempts the Commission from dealing with the whole proposition because a profound change has occurred which although innocent, necessitates clarification. Commissioner Herman did not wish to appear critical of the Director or of staff for this omission but felt that the word hotel should have been included as were the references to convention center, restaurants or maritime office use.

Commissioner Herman next talked about the obligation of a community as it relates to the quality of life for those who live in the community, saying that this should be the priority consideration in making an evaluation as to what should happen as a substitute to what was. Acknowledging that there have been dramatic and important changes on the northern waterfront, Commissioner Herman said one thing has not changed and that is

that workers along the waterfront claim the waterfront to be sacrosanct, and a haven where conditions of employment are at least equal to, if not superior to, the question of whether or not a business is viable, that will come newly onto the waterfront. Anything less than a warm acceptance of the right of a worker to be part of a union without interference which flows from the great Wagner Act of 1932 under the Roosevelt Administration, any notion that that is not an explicit understanding leaves me in an untenable position. In closing Commission Herman opined that for these two reasons he believes that although staff struggled to present the issues in a very coherent way, unfortunately there are flaws and the Commission does have to confer with the director in developing a broad prospective of what our concept for the waterfront should be.

Commissioner Bouskos said in deference to the eloquence of the previous speaker he wished to defer his comments until the next meeting, although he felt it important to note that this was the directive given to the staff and in reality the Commission is at fault for not following through.

Commissioner Coleman said that, like Commissioner Herman, he too had some reservations about a proposal which encompasses a hotel. He recollected that as a senior member of this Commission he experienced the Fisherman's Wharf community's adverse reaction to a hotel proposal at Pier 45. He cited the discussions now about a possible hotel at Pier 30/32 as part of the cruise terminal expansion, mention of the Redevelopment Agency's desire for a hotel at Pier 40. Commissioner Coleman posed the question "Are we going to have a string of hotels along the waterfront?" "Is this to be the policy of this Commission to allow development of the hotel industry on the waterfront." In his opinion, such a possibility really takes away from the general public, the little guy, his ability to use that part of the pier. The concept that a hotel is public access is flawed because to most of us this is private property and would be intimidating to most of the general public.

The Port, said Dr. Coleman, must be more explicit in what we are about, and what we are trying to do. It is not sufficient to imply, we need to be clear in our meaning as to where we are going, because we are a public entity. Further, we must look at our procedures for our proposals in order to avoid the type of situation we are now facing with allegations about improper dissemination of information.

President Halsted said her general criteria for looking at this project is threefold. One, to get the best sailing center that will operate to bring more people down to the waterfront, to get more active participation by them. Children, families, old people should be able to have access to the water to enjoy all our wonderful vistas. Commissioner Halsted said she is looking to evaluate the quality of the programs in the sailing center.

Secondly, President Halsted said, she is looking to see which project will get done, which team can make it happen. In that respect, I am concerned about who will be the project manager to carry the project through environmental review. The Port has had problems of lack of clarity on that kind of issue in the past, and it is really crucial to know that we have a person assigned on the team we choose who is capable, has experience, understands how to take it through the regulatory process, working with the Port. The staying power of the team, the financial resources of the team are very crucial to me.

Thirdly, a community-beneficial project will be of great concern to me, said President Halsted.. Since I have been sitting on this board, I have been pushing for this type of community involvement. However, because of the changing role of the Port, we are facing a diminishing flow of funds, and so we must be focused to some degree as to its revenue base is a crucial part of my responsibility. These are my basic concerns in looking at this proposal.

Commissioner Halsted complimented the staff on doing a marvelous job of putting together this proposal, and expressed her feeling that the community debate is healthy, enabling everyone to get the issues out on the table and resolved, so that this project can get underway.

There being no additional testimony, the meeting was adjourned by motion at 12:25 p.m.

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M I N U T E S

The San Francisco Port Commission met in special session in the World Trade Club, Yerba Buena Room in the World Trade Center at 9:00 a.m. Wednesday, November 1, 1989.

1. ROLL CALL

PRESENT: Anne Halsted, President
James R. Herman, Vice President
Dr. Arthur Coleman, Member
Douglas F. Wong, Member

ABSENT: James M. Bouskos, Member

President Halsted opened the special meeting of the Port Commission by asking the Executive Director to report on the condition of the Port facilities following the earthquake of October 17, 1989.

Mr. Huerta responded stating that an estimate of damages to the Port indicates the Port sustained \$61.3 million in damages, with the major portion, about \$12 million, in the Pier 45 area. In the Ferry Building itself, damages amounted to \$4.5 million not including structural damage, and tenants were prohibited from occupying the premises until structural engineers can assure their safety. The flagpole on the clock tower was damaged and required removal which was accomplished but not without incident. Mr. Huerta explained that FEMA (Federal Emergency Management Agency) and OES (Office of Emergency Service) together with Port engineers and inspectors are continuing to assess the damages incurred on our facilities and will determine what assistance the Port can expect to receive from the Federal and State government for rebuilding and repairing.

Mr. Huerta commended his staff for pulling together in this crisis and expressed his appreciation to all departments of the Port. He specifically mentioned the efforts of Duke Edwards and the men and women of the maintenance department, Dorothy Schimke and all the property department staff and managers, Cliff Jarrard and his engineers and inspectors. He also cited the herculean efforts of George Kennady and his crane crew in restoring container crane service. Accounting department employees George Lau, Renee Jones, Ernie Braganza, Nelson Alvarado, and Lewis Adona, who volunteered their services at the Marina Middle School emergency center were also commended for their exceptional efforts.

In conjunction with the emergency, Mr. Huerta asked the Commission to ratify and approve various actions relating to the earthquake as well as to ratify and approve guidelines for property management for damaged structures. President Halsted asked for public comment. Representatives of the fishing industry, major tenants of Pier 45, spoke in opposition to being relocated to another pier pending reconstruction efforts, and cited the fact that occupants of Shed D who had hired their own structural engineer were allowed to remain in their space. Shed B tenants asked that they be given the same opportunity.

Basically, the tenants contend that they can continue to operate in certain areas of Shed B without hazard to their workers or to the facilities. Mr. Huerta explained that the situation unfortunately is one of enforcement wherein basic rules of safety are already being ignored and although he is sympathetic to the economic constraints of relocating for the tenants, he strongly urged the Commission to approve closing down Shed B and moving these tenants to another facility until the shed has been made safe. The Commission acknowledged that this is a difficult decision but in support of the Director, Commissioner Coleman made a motion approving closure and relocation, which was seconded by Commissioner Herman, and carried by unanimous vote. Further, the Commission then took the following action.

ACTION: Commissioner Coleman moved approval of Resolution No. 89-86 ratifying and approving guidelines for property management for earthquake damaged structures, and this motion was seconded by Commissioner Herman, and carried unanimously.

In acknowledging the difficulties involved in this decision, and as an additional assurance to the fishing community, it was also suggested that the Commission pass a motion to adopt a policy stating it is the intent of the Commission to relocate the fishing industry back to Shed B of Pier 45 as soon as possible and to make monies available for its rehabilitation.

PROPERTY & FINANCE

Mr. Conrad wanted the Commission to know about the first-rate job done by the data processing team, headed by Richard Ayers, in restoring the entire computer system to the Port days after the quake, which he said took around the clock work and dedication by this department to accomplish.

The Commission acknowledged the efforts of all the Port employees in the aftermath of this emergency. The Commission then considered a request by the San Francisco Bar Pilots Association to lease a portion (45,074 s.f.) of Pier 9. The lease terms are for twenty years, commencing January 1990, at \$17,571.00 per month with a CPI adjustment every three years, beginning January 1993. After a brief discussion, the Commission took the following action.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Wong, carried.

The Commission next approved two licenses for office space located in the World Trade Center, for Richard Clark, dba R.W.Clark Investigations, and to Ann Mahoney, Handwriting Analyst.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Wong, carried.

The Commission next considered, ratified and approved lease of space at Piers 1, 9 and 45 to Harbor Carriers, Inc. for emergency ferryboat operations and berthing as part of the earthquake activities. This is in conjunction with regional efforts of CalTrans, MTC, Coast Guard and East Bay ports to provide emergency transbay ferry service. This is a month-to-month lease with a provision for termination by the Port should it be determined that emergency ferry service is no longer required.

The Commission then took the following action:

ACTION: Moved by Commissioner Herman, seconded by Commissioner Coleman, carried.

Item 3d) was removed from the agenda as requested by Mr. Conrad.

MARITIME

Mr. Stone requested approval and ratification of a two month extension of the management agreement with Marine Terminals Corporation citing difficulties in the relocation process of the Crent Corporation for the continued delay in closing out this negotiation.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Coleman, carried.

ENGINEERING, PLANNING & MAINTENANCE

Captain Osborne presented the Commission with a request to ratify and approve a number of emergency construction contracts which were implemented as a result of earthquake damage. These included repair of the Ferry Building tower structural braces, replacement of the third floor suspended ceiling, repair of the Paceco crane, erection of pedestrian scaffolding, plumbing repairs, removal of damaged flagpole, and fallen fireproofing.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Coleman, carried.

The Commission asked for a briefing on the Federal Emergency Management Agency procedures, and Mr. Conrad, the Port's designated representative, explained that there have been many meetings with this agency, and that all Port employees are currently in the process of completing lengthy and detailed timesheets detailing for FEMA, the hours and minutes involved in earthquake related work for which hopefully the Port will be reimbursed. He explained that one form, a document referred to as a DSR, the Damage Survey Report, seems to be of great significance in determining just what will be reimbursable. Mr. Conrad said presently State and Federal investigative teams are surveying Port facilities and assessing the amount of damage sustained by the Port. He said he will keep the Commission apprised of all developments with FEMA.

The Commission approved one final contract for well drilling and monitoring work at Piers 70, 94, and 98 with a motion by Commissioner Herman, seconded by Commissioner Coleman, and carried unanimously.

A brief discussion followed regarding meeting dates for November and December, and it was determined that the next regular meeting would be Wednesday, November 15, at 10 o'clock and would be in the Commission Room in the Port offices. In December, there would be a special meeting on Monday, December 11, at 4 o'clock p.m. for discussion of the Pier 24-26 sailing center project, with a regularly scheduled meeting on Wednesday, December 13, at 10 o'clock a.m. in the Port offices.

There being no further business, the meeting adjourned at 11:15 a.m.

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MINUTES

The San Francisco Port Commission met in regular session in the Commission offices, Suite 3100 of the Ferry Building at 10:15 a.m., on Wednesday, November 15, 1989.

1. ROLL CALL

PRESENT: Anne Halsted, President
Dr. Arthur Coleman, Member
James M. Bouskos, Member
Douglas F. Wong, Member

ABSENT: James R. Herman, Vice President

President Halsted apologized to the Commission for the delay in starting the meeting and asked for approval of the minutes of the meeting of November 1, 1989.

ACTION: It was moved by Commissioner Coleman, seconded by Commissioner Wong, carried.

EXECUTIVE DIRECTOR'S REPORT

Mr. Huerta introduced Ms Helen Dowden, the City's legislative lobbyist in Sacramento, who gave a brief report on recent legislation relating to port activities throughout the State. She discussed Assemblyman Burton's bill AB 1220 to provide long-term solutions for ports and piers which had broad support in the Assembly but was ultimately vetoed by Governor Deukmejian. A companion bill Senator Marks' SB 737 which makes changes in the Coastal Conservancy to allow the Conservancy to use appropriated monies for pier projects was signed into law by the Governor. Other areas of interest to us include energy conservation, water quality seismic upgrade, and transportation. One funding source for next year is a bond measure which will be placed on the November ballot is Assemblyman Costa's bill AB 145 containing \$20 million for urban waterfronts. Following the earthquake, discussions were held with legislators about putting in a bill for seismic upgrades for ports and piers. Ms. Dowden indicated she would continue to keep the Port Commission and staff current on these measures. President Halsted thanked Ms Dowden for a very informative report.

Mr. Huerta updated the Commission on certain earthquake-related issues, particularly ferry ridership, damage survey reports, and dredging. In the matter of ferry transportation, staff is working with the other regional agencies toward a lobbying effort to convince legislators of the viability of continuing to subsidize ferry service as it does other forms of mass transportation, such as BART. It is important that our elected officials know this is a high profile agenda item and that ferry service is a viable alternative to the bridge and freeway system.

Mr. Huerta reported that original estimates of damage to Port facilities are now being scaled down as more intensive examination of all areas reveals less damage than originally determined. One example cited was the Agriculture Building which was first thought to be severely damaged, but further investigation shows it to be structurally sound. Although the Agriculture Building will remain closed for the present, this structure will be rehabilitated. Mr. Huerta reported that three teams of inspectors have been conducting their investigations of port facilities, and although some confusion remains on reporting techniques and procedures to the Federal and State agencies, it is hoped that this will be remedied shortly.

In the area of Pier 45, the director reported that a detailed survey of this facility reinforced the urgency of closing this pier due to settlement problems and to allow installation of new utilities. Various sources of funding for repair work and upgrading are being considered, including funding from the Coastal Conservancy.

Mr. Huerta asked to defer consideration of procedures for intra-City department use of Port property until the next meeting. A brief discussion followed, and the decision was made to hear this matter at the December 13 meeting.

PROPERTY & FINANCE

Mr. Conrad presented 12 licenses for review and approval, deleting license 11530, and noted that all of these are for temporary relocation from Pier 45 Shed B, or the Agriculture Building as a result of earthquake damage.

ACTION: Commissioner Bouskos moved approval of the licenses as submitted, which was seconded by Commissioner Coleman, and carried.

Mr. Conrad next asked the Commission to review three financial reports and approve refunds and allowances in the amount of \$52,831, and it was so moved, seconded, carried.

The final item was a request to approve two personnel appointments for one 5310 Surveyor's Field Assistant and one 1426 Senior Clerk typist, and this was so moved, seconded, carried.

MARITIME

Mr. Stone asked the Commission to ratify and approve a license with Pacific Rail Services to use the Port's Intermodal Container Transfer to provide a San Francisco terminal for domestic rail movements. This was in response to the emergency situation generated by the earthquake. As Mr. Stone explained, staff had underestimated the ingenuity of the affected parties in surmounting the temporary loss of the Bay bridge, so that although rail service was in readiness, the traffic did not materialize. It is staff's feeling that the agreement was important for three reasons, first, providing emergency relief; secondly, provided more rail traffic to San Francisco thereby enhancing service to our international customers; and thirdly, allowed the evaluation of the ICTF operation before embarking on a full scale application.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Bouskos, carried.

ENGINEERING, PLANNING & MAINTENANCE

Chief Harbor Engineer Cliff Jarrard presented a request to ratify and approve the installation of a pedestrian warning system at Pier 1 as part of the pier parking control system which is needed because of the increased foot traffic to the ferries due to the earthquake. The cost for furnishing and installation is \$1,124. Staff recommended approval of this sole source contract because this parking control system was originally installed by this contractor with the electrical equipment uniquely available as well as a knowledge of repair exclusively associated with this company.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Coleman, carried.

An associated matter was a request to authorize the Chief Harbor Engineer as the Port's representative to execute Damage Survey Reports on a daily basis. These reports are required by FEMA and the State of California and require the Port's concurrence with the scope of damage and the cost of repair, to establish the amount of disaster relief funds which will be made available for a particular facility.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Coleman, carried.

As an aftermath of the October 17, 1989 earthquake Pier 45 sustained extensive damage to certain areas which requires relocation of tenants leasing these spaces in order to correct the settlement problem, reconstruction of utilities, seismic upgrade of the buildings. Mr. Huerta said staff has been researching various sources of funding to combine the repair work with the overall upgrade of the project. One of the possibilities is to go back to the California Coastal Conservancy for a low interest loan. Mr. Huerta submitted a preliminary cash flow analysis demonstrating that working within the low interest loan guidelines of Cal Boating or Coastal Conservancy the Seafood Center project is a winner.

The Commission inquired about outside investor interest, particularly from the Orient, and also expressed concern that FEMA's financial involvement could complicate rebuilding Pier 45 or upgrading a seafood center project. Mr. Huerta explained that representatives from Mitsukyu Group have met with the Port in this regard but they indicate a problem with getting the return they seek for their investment. As to FEMA's involvement, federal guidelines do allow building something different from what was there, although this is taken into consideration in the funding process. Staff therefore asked that the Commission reaffirm its intention to proceed with the Seafood Center Project and indicate its intent to restore the commercial fishing industry back to Pier 45 as soon as repairs can be made. In addition, Mr. Huerta recommended that the Commission also apply to the California State Coastal Conservancy for a grant and/or loan to cover the design, construction, and financing costs up to \$20 million for Pier 45. After a brief discussion, President Halsted asked for public comment on this matter.

A representative from the Pier 45 fishing tenants spoke against any temporary relocation from Pier 45 stating that any closure of their business, whether for six, ten, or twelve months would be the death knell to most of the tenants. Mr. Lewis said that the fish handlers are forming a cooperative in the hope of convincing the Port that relocation is an unnecessary action at this juncture.

M'K Veloz also addressed the Commission, corroborating that the cooperative of fish handlers is meeting this afternoon with the Citizens' Advisory Committee, and the consultants for the Telegraph Hill Dwellers' Neighborhood Association study. Ms. Veloz mentioned that a workshop was given by the Small Business Administration on some of the low-interest loans available, but said she did not feel very encouraged since to qualify for one of these loans, an applicant must be able to show he can repay such a loan, which she felt could be difficult for some of these tenants. She commended the Commission for passing the resolution reaffirming its intention to proceed with the Seafood Center project and to restore the commercial fishing industry back to Pier 45 when repairs are made, saying that such reassurance was essential to these tenants.

Mr. Neal Gendel, representing San Francisco Tomorrow and the Sierra Club, expressed his concerns to the Commission over the water quality in the area of Pier 45 and adjoining Aquatic Park. He urged development of baseline information as to what the water quality is right now in order to make a knowledgeable comparison later. Mr. Gendel emphasized his group's insistence on full discussions of what the Port proposes for improving the water quality in this area, and specifically the efforts of the Port to mitigate the ongoing problems, as well as future activities of fish processors, the fishermen, and specifically the restaurants. He also asserted the need for full disclosure of plans so that the community can participate in the decision-making process. In addition to discussion, Mr. Gendel said it is essential that there are specific guidelines for mitigation incorporated into any enabling document which will be enforceable and legally binding on the Port.

President Halsted asked for a vote on the motion at hand. It was therefore moved by Commissioner Bouskos, seconded by Commissioner Coleman, and carried to approve Resolution No. 89-98, and 89-99.

NEW BUSINESS

Commissioner Coleman introduced a resolution to establish a Port Commission policy on future waterfront hotel development on Port property. Commissioner Coleman acknowledged that although no action could be taken at this time, he wished to have this matter calendared as soon as possible so that the Commission can act on it. Dr. Coleman read the resolution in its entirety and by reference is hereby made a part of these minutes. The Commission accepted this resolution with no discussion.

There being no further business, the meeting was adjourned at 11:30 a.m. by motion of Commissioner Bouskos, seconded by Commissioner Coleman, and carried.

HOTELS ON PIER PROPERTIES

1. Whereas, at present, there is no Port policy for hotel development on Port piers, and

2. Whereas, some developers have argued that to make a pier development financially feasible and in keeping with public access, a hotel is one way to meet those needs, and

3. Whereas, a significant segment of the public, however, has expressed concern about hotels on piers as an acceptable use of Port property,

Therefore, Be it resolved that any future proposals for property development on piers which include a hotel, should not be entertained by this Commission until there is a full public hearing on whether hotels on Port piers is an acceptable development.

HOTELS ON PIER PROPERTIES

1. Whereas, at present, there is no Port policy for hotel development on Port piers, and
 2. Whereas, some developers have argued that to make a pier development financially feasible and in keeping with public access, a hotel is one way to meet those needs, and
 3. Whereas, a significant segment of the public, however, has expressed concern about hotels on piers as an acceptable use of Port property,
- Therefore, Be it resolved that any future proposals for property development on piers which include a hotel, should not be entertained by this Commission until there is a full public hearing on whether hotels on Port piers is an acceptable development.



MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, November 21, 1989

1:30 P.M.

Present:	Bonnie K. Gibson	President
	Samuel W. Walker	Vice President
	Peter D. Ashe	Commissioner
	Joseph D. Driscoll	Commissioner
	Maurice Mann	Commissioner
Absent:	Harry Britt	Supervisor
	William Breall, M.D.	Commissioner

Clare M. Murphy	General Manager Retirement System
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MINUTES: Minutes of Regular Meeting, November 14, 1989

ACTION: Approved as Submitted

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RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. a. VOLUNTARY SERVICE RETIREMENT LIST 9-89.
2. HEARING OFFICER DECISION:
 - a. Virgil Davis
2708 Custodian - MUNI
Ordinary Disability Retirement Denied
 - b. William Kelly
7392 - Window Cleaner, Airport
Ordinary Disability Retirement
Effective Date: July 31, 1989 Granted
3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
 - a. Ana Cefalu
 - b. Alan Jerry Davis
 - c. Susan Kaplan

ACTION: It was moved by Ashe, seconded by Mann to adopt the Consent Calendar; motion passed, 4-0.

NOTE: Commissioner Walker arrived at this time.

REGULAR CALENDAR

1. REQUEST FOR BOARD CONSIDERATION TO ADJUST THE PENSION ALLOWANCE FOR:

Scott Amour

Clare M. Murphy, General Manager, and Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item. The Board engaged in a question and answer session and reviewed and discussed the item with staff. Mr. Amour also presented material which was reviewed by Board members.

ACTION: No action was taken at this time. The matter was to be further discussed in Executive Session.

EXECUTIVE SESSION

The Board went into Executive Session to discuss a pending litigation issue. The Board returned to open session and took the following action:

ACTION It was moved by Driscoll, seconded by Walker to deny Mr. Amour's request to recalculate and adjust his pension; motion passed, 5-0.

REGULAR CALENDAR (continued)

2. HEARING OFFICER DECISION:

Eugene Yoshii
Q-2 Police Officer
Disability Determination
Effective Date: April 10 to May 5, 1987, Granted

Dan Maguire, Deputy City Attorney, recommended a rehearing in the matter of Eugene Yoshi. The Board engaged in a question and answer session and reviewed and discussed the City Attorney's recommendation.

ACTION: It was moved by Gibson to accept the City Attorney's recommendation. Motion died for a lack of a second.

ACTION: It was moved by Driscoll, seconded by Ashe to adopt the Hearing Officer Decision; motion passed, 4-1. (Gibson).

S U P P L E M E N T A L C A L E N D A R

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:

(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Driscoll, seconded by Walker to hear the Supplemental Calendar; motion passed, 5 - 0.

ITEM

1. HEARING OFFICER DECISION:

a. William H. Hollings
H2 Firefighter
Industrial Disability Retirement
Effective Date: February 21, 1990 Granted

b. Ronald R. Keil
Q50 - Sergeant, Police Dept.
Industrial Disability Retirement/Stipulation
Effective Date: February 26, 1989
Granted

2. PETITION FOR REHEARING

Paul Bellazain
9163 Transit Operator - MUNI
Ordinary Disability Retirement
Granted

ACTION: It was moved by Mann, seconded by Driscoll to adopt the
Supplemental Calendar; motion passed, 5 - 0.

INVESTMENT CALENDAR

1. QUARTERLY INVESTMENT PERFORMANCE REPORT BY CALLAN ASSOCIATES.

Barry Dennis from Callan Associates reviewed total portfolio performance for the period ending September 30, 1989. The Board reviewed and discussed the performance report and engaged in a question and answer session with Mr. Dennis.

ACTION: No action was taken on this item. This was an information item only.

2. INVESTMENT MANAGER PRESENTATIONS

- o Morgan Grenfell Investment Services Limited
- o Warburg Investment Management International
- o Lehndorff & Babson Real Estate Counsel
- o Nicholas-Applegate Capital Management
- o George Springman, Inc.

Representatives from the above firms presented written and oral presentations on their performance for the period ending September 30, 1989. The representatives also discussed the economy as well as future market trends. The Board reviewed and discussed the presentations.

ACTION: No action was taken on this item. This was an information item only.

3. CHIEF INVESTMENT OFFICER'S REPORT

The Chief Investment Officer reported:

a. Proxy Votes

There were no proxy votes presented to the Board.

GENERAL MANAGER REPORT

Clare M. Murphy, General Manager, reported:

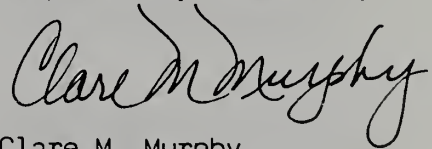
1. Supervisor Bill Maher resigned from the Retirement Board. Clare M. Murphy and Ken Taymor, Deputy City Attorney, will meet with Harry Britt to discuss representation on the Retirement Board.
2. Both Charter Amendments H and I passed - which will allow employees to grant unused Sick Leave and Vacation through a transfer mechanism. Proposition "H" requires that special committee recommend to the Board of Supervisors the structure of such a program. The committee consists of the Retirement Board, Civil Service Commission and the Health Commission. There will be interim reports and a meeting will be scheduled of all three commissions within sixty (60) days of the effective date of Proposition "H".
3. The George Springman Luncheon will take place on December 19th at the Mandarin Hotel.
4. Discussion of the 333 Bush Street Property Closing.

BOARD MEMBERS

Sam Walker discussed his attendance at the International Foundation Annual Conference in Florida.

There being no further business, the Board adjourned its meeting at 6:20 p.m.

Respectfully submitted,



Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by Court Reporter: Susan Reinhardt.

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PORT OF SAN FRANCISCO
CITY & COUNTY OF SAN FRANCISCO
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M I N U T E S

The San Francisco Port Commission convened in regular session in the Commission Room in the Ferry Building at 10 a.m. Wednesday, December 13, 1989.

PRESENT: President Anne Halsted
James Bouskos, Commissioner
Dr. Arthur Coleman, Commissioner
Douglas F. Wong, Commissioner

ABSENT: James R. Herman, Vice President

President Halsted asked for approval of the minutes of the regular meeting of November 15, 1989. Dr. Coleman asked that the word "received" be substituted for "accepted" in the 4th paragraph page 4 of the minutes, and with that substitution, moved to approve the minutes. Commissioner Wong seconded the motion, and the minutes were approved.

3. EXECUTIVE DIRECTOR'S REPORT

Mr. Huerta reported that he had met with Disaster Assistance Program representatives in Sacramento to seek funding for the reconstruction and rebuilding of Pier 45 which was most badly damaged during the earthquake, and felt our request was well received. Staff also met with California Coastal Conservancy regarding possibilities for a low interest, long term loan to complete the funding for this project. Overall, both agencies seem very receptive to the Port's request for assistance to rebuild this area, and appear sensitive to moving quickly to start rebuilding. Port's consultant has been authorized to begin the first phase of the final design and construction documents for this project.

The director next asked the Commission to consider a policy which would permit a "letter only" transaction for short-term use of Port property by other City Departments. Under this policy, the Commission would authorize the director to approve certain transactions within set parameters, (e.g., usage less than one year; total usage fee less than \$50,000). All other usage over these limits would need separate Commission action.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Coleman, carried.

Commissioner Wong asked for an updated estimate on earthquake damage and Mr. Huerta replied that based on more in-depth investigation there is a dramatic decrease in the original damage figures.

Discussion followed regarding the Port tenant insurance liability and Mr. Huerta informed Dr. Coleman that under our leasing policy the Port is not responsible for damage incurred under an "Act of God" circumstance, (e.g., an earthquake). Mr. Huerta mentioned that both Small Business Administration and State Department of Commerce provide low-interest, long-term loans for businesses affected by the earthquake, covering not only damage but also loss of revenue. Many of the retail tenants on property along the waterfront which was badly damaged by the earthquake are being advised to seek assistance from these two agencies. Dr. Coleman asked if the Port itself has forgiven any portion of rents due, and it was noted that in most instances tenants have been granted a deferral of up to six months should they be experiencing a cash flow problem as a result of damages.

4. PROPERTY & FINANCE

a) Mr. Conrad presented three financial reports to the Commission for review: sales and rent report for September 30, 1989; accounts receivable for October 31, 1989; refunds and allowances for October 31, 1989, and asked for approval of refunds and allowances in the amount of \$542,395 for this period.

ACTION: Moved by Commissioner Wong, seconded by Commissioner Coleman, carried.

Discussion followed in the matter of negotiations with National Car Rental and staff informed the Commission that an audit of this tenant disclosed certain discrepancies in reporting sales, a matter disputed by National. Staff will keep the Commission advised in this matter.

b) In personnel matters, the Commission was asked to approve four Non-Civil Service appointments, and it was moved, seconded, carried.

c) The Commission reviewed four leases for office space located in the World Trade Center, and for mini-van and bus storage space at SWL 34, and SWL 349. Following a brief explanation, it was moved, seconded, carried to approve Lease L-11535, 11534, 11511, 11538.

d) Mr. Conrad gave a brief informational presentation on a strategy for interim parking for the Port. The proposed strategy is a refinement of staff's financial and planning research and analysis and combines both structured parking, surface parking and retail/commercial development on seven sites. Staff is recommending that the seven identified interim surface parking lots be offered to bidders on an individual basis, possibly in an auction format, since this type of process will give small businesses an opportunity to bid on individual lots. The site for the parking garage on SWL 322.1 will be offered in an RFP format, allowing more flexibility and qualitative judgment in the selection process.

Staff suggested the two selection processes be independent of each other to ensure the Port will receive the highest bids for the surface parking as well as ensuring that proposals for the parking garages will reflect the best development options.

Mr. Huerta interposed his comments regarding the comparative merits of packaging the entire offering or separating out the components. These being economy of scale, parking management issues, inducement for a developer to build the garage. A single offering, said Mr. Huerta, would mean a very large bid package which could severely limit the number of bidders. Mr. Huerta indicated staff would welcome input from the Commission regarding these factors.

Commissioner Bouskos opined that it would be more intelligent to put the whole thing as a single bid, suggesting this would make it easier for the Port from a management level, be more cost efficient and would undoubtedly give the Port a better yield. Commissioner Bouskos strongly urged going with one bid for these reasons.

Commissioner Halsted expressed some doubt on the practicality of combining the northern and southern parking lots, suggesting instead that these be offered separately.

Further discussion followed on the anticipated additional revenue to be realized from surface parking sites, and Mr. Conrad noted that the Port could receive over \$400,000 from leasing these surface lots over a two year period, which would offset to some degree the Port's \$30,000 loss in monthly revenue from the parking under the Embarcadero freeway..

Commissioner Bouskos said the Port's parking is being eroded away, compelling us to move ahead in the most expedient way. In his opinion, this means going with one operator, or a conglomerate of operators. Commissioner Bouskos reiterated that it would be better for the Port to batch the parking request proposal into one single package.

Commissioner Halsted regretted that she did not feel she had sufficient information at this time to express an opinion on such an important issue, stating that there are both economic and environmental concerns vital to this issue, and asked for additional time to review the matter. Commissioner Halsted also cautioned that the architectural design of the parking garage needs to be addressed in the RFP.

Commissioner Bouskos commented that both he and Commissioner Herman agree that the parking issue is of vital importance and the Port should not delay in putting this matter out to bid. Commissioner Coleman concurred with President Halsted on the need for more information, stating that he too did not feel sufficiently informed yet to take a position on a matter of this importance.

Mr. Huerta suggested that with Commission concurrence staff could move ahead with developing a preliminary request for proposal, keeping in mind the Commission's points of concern and schedule a preliminary review by the Commission at the second meeting in January.

The Commission agreed that this would be a reasonable approach and directed that this matter come back for further review in January.

In other matters, Dr. Coleman asked about the Redevelopment Agency's proposal for a hotel in the Rincon Point-South Beach project area. Discussion followed in this regard, and Mr. Huerta indicated staff is researching the enabling documents to determine the specific language of the plan. Commissioner Bouskos expressed chagrin that the Redevelopment Agency did not extend the courtesy of inviting the Port Commission or staff to testify in this matter. President Halsted also asked that she be kept apprised of all developments on the proposed hotel.

5. MARITIME

a) The Commission next considered the matter of extending a management agreement with Marine Terminals Corp. at Pier 27/29 for five years. Mr. Stone gave a brief recital of the agreement which the Port and Marine Terminals originally entered into in January 1984. This operation primarily consolidates several small lines handling import newsprint with an average annual revenue to the Port over the five year period of \$448,000. After a brief discussion, the Commission took the following action.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Bouskos, carried.

6. ENGINEERING, PLANNING & MAINTENANCE

a) Captain Osborne asked the Commission to approve a contract for personal services with Carol M. Brown to provide fisheries and development consulting services in conjunction with the Fisherman's Wharf Commercial Fishing Project. Under this contract, Ms. Brown will continue to provide her services in project design, technical reporting in the environmental process, development of recommendations for industry tenant negotiations, and other related assignments as directed. The contract amount of \$119,950 is funded by 1984 Revenue Bond Funds.

President Halsted praised the work and diligence of Ms. Brown, and this sentiment was echoed by the rest of the Commission. The Commission then took the following action.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Wong, carried.

Item 6(b) was deferred until a future meeting.

c) The Commission was informed about the coordinative efforts underway to continue ferry service as alternate means of transportation. Staff briefly recounted how emergency commuter ferry service was used in the aftermath of the earthquake and indicated several strategies are currently being explored to maintain the ferry system. Under Caltrans, the state's primary transit agency, funds are available for local agencies to purchase equipment and rights of way, to develop stations and other ancillary services thereby improving the effectiveness of this mode of transportation. Toward this end, staff asked the Commission's approval to apply for funds under the Transit Capital Improvements Program to develop a ferry terminal.

After a brief discussion, the Commission took the following action.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Coleman, carried.

d) Commission next ratified and approved a contract to repair the Silo Building at the Pier 90 grain terminal which was damaged as a result of the October 17 earthquake.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Wong, carried.

e) Commission then ratified and approved an emergency contract for consultant services for an emergency seismic analysis relating to the repair of the Ferry Building tower and south wall. This contract is necessary as a result of damages incurred during the earthquake.

ACTION: Moved by Commissioner Coleman, seconded by Commissioner Halsted, carried.

f) Commission next ratified and approved an emergency contract for repair work on the Agriculture Building as a result of the earthquake. Captain Osborne noted that contrary to the original estimate, the damages to this building were not as extensive as feared and repair work will be mostly cosmetic.

ACTION: Moved by Commissioner Bouskos, seconded by Commissioner Wong, carried.

At 11:55 a.m., the Commission withdrew to executive session for discussion with the Port negotiator regarding acquisition, lease and /or exchange of real property in the area bounded by China Basin Channel north, Mariposa Street south, Illinois Street west and China Basin west, and parcels east of Illinois street, which are bounded by PG&E power plant north, and Pier 80 south. Following executive session, the Commission adjourned at 12:40 p.m.

